

Republic of Lebanon
Office of the Minister of State for Administrative Reform
Center for Public Sector Projects and Studies
(C.P.S.P.S.)

Benchmark Polls on Corruption in Lebanon 1999

Funded By
United States Agency for International Development (USAID)

Commissioned By
Kulluna Massoul
Independent Association for Fighting Corruption

Prepared By
Information International
Research Consultants

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FOREWORD

Corruption, the behavior of private individuals or public officials who deviate from set responsibilities and use their position of power in order to serve private ends and secure private gains" is a serious problem in many countries and a waste of time and money that could be better used elsewhere. Corruption is not a cultural feature limited to certain countries but rather a global phenomenon and no particular indulgence must be applied for reasons of cultural particularities.

Both the Lebanon Anti-Corruption Initiative Report and the Benchmark Polls on Corruption in Lebanon - 1999 were the fruit of extensive research and analysis by Information International SAL, an independent private research and consulting firm. The project was funded by the United States Agency for International Development (USAID) and commissioned by Kulluna Massoul, an independent association that was set up to fight corruption. Information International was selected subsequent to a competitive tender in August 1999. During the research process, the firm faced many difficulties considering the controversial and complex nature of corruption, as well as the absence of comprehensive studies relating to it. Information International resorted to its primary data including the Benchmark Polls. These polls, initiated in September 1999, measure people's attitudes towards corruption as well as assess their behavior and knowledge of corruption.

Throughout the research stages, Information International has maintained its independence and only reported and analyzed the facts. The research was operated in a total quality management environment, using the most modern and effective research methodologies. The Committee of Kulluna Massoul has discussed both the Lebanon Anti-Corruption Initiative Report and the Benchmark Polls on Corruption in Lebanon - 1999.

The determinants of Lebanon's socio-political conditions have been discussed at length in the Information International's Lebanon Anti-Corruption Initiative Report - 1999, in which the detrimental role of sectarianism and feudalism in perpetuating corruption were also analyzed.

The results of the Benchmark Polls on Corruption in Lebanon-1999 show that, with their various socio-economic demographic characteristics, Lebanese Christians and Moslems from all regions share a common understanding of the manifestations, causes and effects of corruption. They know that they live in a highly corrupt society and they place the blame on the politicians and political system.

The Benchmark Polls results will hopefully raise awareness among both the politicians and the Lebanese people and contribute to a potential rise from this anomic state. As Dr. Munir Khoury points out in his book, *What is Wrong with Lebanon?*: "The anomic man has become spiritually sterile, responsive only to himself, responsible to no one... Lebanon does not need confessional leaders, traditional 'zuama' and factional 'god-fathers', but a leadership with vision".

There remains to note that to counter corruption, three conditions must be met:

- The information to act.
- The will to act.
- The power or capability to act to stop corruption before it occurs when practical.

None of these three conditions can be reliably sustained without an effective and cooperative relationship between the government and the civil society.

The results of the Benchmark Polls conducted by Information International in September 1999 outlined herein include the General Population Polls and the Business and Professional Population Poll.

Information International SAL

Jawad Adra
Managing Partner

ACKNOWLEDGEMENTS

The preparation of the Report would not have been possible without the support and valuable contributions of a large number of individuals.

We would like to extend our thanks to the United States Agency for International Development (USAID) that funded the project, especially Mr. Nick Cox, Ms. Lena Freij, Mr. James Stephenson and Ms. Wanda Williams. Both Lena and Wanda have exerted valuable efforts to coordinate and facilitate the accomplishment of our mission.

Special thanks to the Executive and Working Committees of Kulluna Massoul were cooperative in reviewing the report before its publication.

We also appreciate the participation of the following individuals in the Focus Group Discussion on Corruption held on November 3, 1999: Mr. Jawad Boulos, Dr. Nabil Haydar, Ms. Tania Helou, Dr. Adnan Iskandar, Dr. Munir Khoury and Mr. George Nassif as well as their Excellencies Mr. Salim Azar, Mr. Halim Fayad, Dr. Marwan Hamadeh, Mr. Bechara Merhej, Ms. Nayla Moawad and Mr. Fawzi Salloukh.

Information International team of researchers, consultants, analysts and field surveyors was responsible for the design of the research tools, coordination with the client, data collection, analysis, report writing and presentation. We also appreciate the comments and feedback of Ms. Helen Khal who helped in editing the report.

Information International SAL
February 2000

General Population

I. GENERAL POPULATION

A. Introduction

The Benchmark Polls undertaken by Information International aim at assessing the perceptions of the Lebanese population, with the various gender, age, income, confessional and occupational brackets, about the following themes:

- ◀ Peoples' awareness and attitudes towards the causes, effects, legacy and pervasiveness of corruption in the Lebanese political system.
- ◀ Peoples' assessment of the public administration, media and judiciary as well as the educational, private and health sectors.

Numerous public opinion polls, carried out by different institutions or organizations in order to understand public's attitudes or perceptions about corruption, indicate a rather rapidly growing interest of people for corruption cases everywhere in the world.

Recently, corruption in Lebanon reached, in some people's opinion, alarming levels leading to discouragement of local and foreign investment, decrease in economic growth and increase in social disparity. Media coverage in the last few years focused extensively on the socio-economic cost of corruption and its all-pervasiveness in various sectors of the Lebanese society.

Lebanese people's assessment of the corruption level can provide a wealth of information that can shed light on this sensitive and serious problem.

B. Methodology

Information International conducted a Public Opinion Poll in October 1997 that studied the general population's opinion about the political system, the public and private sectors as well as the performance of political leaders in Lebanon. The poll covered the whole national territory of Lebanon. 85% of the surveyed population, accounting to 950 respondents, showed a high level of awareness about the prevalence of corruption in both the public and private sectors. The poll recommended the imperative necessity of controlling fraud and embezzlement and adopting anti-corruptive mechanisms. This high percentage of awareness of the predominance of corruption in Lebanon has served as the baseline criterion for deciding the sample size of the General Population Questionnaire in Information International's Lebanon Report on Corruption of 1999.

85% of the population of the previous poll showed awareness of the prevalence of corruption and 15% lack of awareness. Therefore, the application of William G. Zikmund's formula in the estimation of the sample size becomes relevant and methodologically sound.

The formula states that: $n = (Z^2 pq) / E^2$

Where, n = number of items in sample, Z^2 = square of the confidence interval in standard error units. As we are considering a 95 percent confidence, therefore half of it will correspond to 1.96 in half of the area under the normal distribution curve. Consequently, $Z^2 = (1.96)^2$

P = estimated portion of the people who are aware of corruption (85%).

$Q = (1-p)$ estimated portion of people who are not aware of corruption (15%).

E^2 = square of the maximum allowance for error between the true proportion and sample proportion (2%).

Therefore, the sampling size with the above estimation is:

$$N = (1.96)^2 (0.85) (0.15) / 0.02^2$$

1.224 Questionnaires to cover all sizes of Lebanese districts.

95% Confidence Level and 2% Allowance for Error	
Population Divergence	N
99% - 1%	95
90% - 10%	864
85% - 15%	1.224
80% - 20%	1.536
70% - 30%	2.016
60% - 40%	2.304
50% - 50%	2.401

The size of the sample is proportionate to the population of each of the six Lebanese districts and to the gender distribution of the Lebanese population in accordance with the results published by the 1997 survey on Housing Conditions in Lebanon by the Central Administration of Statistics. The distribution of the questionnaires according to each district's population weight is as follows:

1. Distribution According to the Mohafazat

Mohafazat	Frequency	Percent (%)
Greater Beirut	398	32.4
North	246	20.1
South	143	11.7
Mount Lebanon	186	15.2
Bekaa	167	13.7
Nabatiyeh	84	6.8
Total	1224	100

2. Distribution According to the Cazas

Caza	Frequency	Percent (%)
Beirut	202	16.5
Metn	66	5.4
Baabda	65	5.3
Koura	82	6.7
Akkar	82	6.7
Tripoli	82	6.7
Saida	72	5.9
Tyre	71	5.8
Aley	139	11.4
Keserwan	112	9.1
Zahle	56	4.6
Baalbeck	56	4.6
Rachaya	55	4.5
Nabatiyeh	84	6.8
Total	1224	100

3. Geographic Sample Distribution

City	Frequency	Percent (%)
Achrafieh	68	5.5
Hamra	68	5.5
Zalka	66	5.4
Msaitbeh	66	5.4
Choueifat	65	5.3
Chyah	65	5.3
Amioun	82	6.7
Halba	82	6.7
Tripoli	82	6.7
Saida	72	5.9
Tyre	71	5.8
Aley	59	4.8
Bdadoun	16	1.4
Haret Sakhr	54	4.4
Zouk Michael	57	4.7
Zahle	56	4.6
Baalbeck	56	4.6
Rachaya	55	4.5
Nabatiyeh	84	6.8
Total	1224	100

*Cities are separately distributed according to their location in the Mohafazat

4. Gender Distribution

Sex	Frequency	Percent (%)
Male	613	50.1
Female	611	49.9
Total	1224	100

Republic of Lebanon

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5. Distribution According to Birth Place

Birth Place	Frequency	Percent (%)
Beirut	146	12
Metn	64	5.3
Keserwan	96	7.8
Baabda	28	2.3
Aley	117	9.5
Chouf	21	1.7
Jbeil	16	1.3
Saida	79	6.4
Tyre	87	7.1
Nabatiyeh	100	8.2
Bent Jbeil	7	0.6
Jezzine	1	0.1
Tripoli	79	6.4
Koura	73	6.0
Bcharri	3	0.2
Akkar	86	7.0
Batroun	19	1.5
Baalbeck	60	5
Zahle	67	5.5
Hermel	4	0.3
Western Bekaa	5	0.4
Rachaya	46	3.8
Hasbaya	3	0.2
Marjayoun	11	0.9
Outside Lebanon	6	0.5
Total	1224	100

The population sample segmentation with respect to age, income, level of education, religion, place of work and occupation follows the stratified sampling approach and leads to the following:

6. Distribution by Age

Age	Frequency	Percent (%)
15-24	354	29
25-34	294	24
35-44	203	16.5
45-54	150	12.2
55-64	115	9.5
Above 65	108	8.8
Total	1224	100

7. Distribution According to Educational Level

Educational Level	Frequency	Percent (%)
Primary	162	13.2
Intermediate	302	24.7
Secondary	334	27.3
Undergraduate	338	27.6
Graduate	30	2.5
Technical	58	4.7
Total	1224	100

8. Distribution According to Religious Affiliation

Religion	Frequency	Percent (%)
Maronite	255	20.8
Orthodox	209	17.1
Catholic	81	6.6
Protestant	8	0.7
Armenian Orthodox	13	1.1
Armenian Catholic	8	0.7
Sunni	245	20
Shiite	247	20.1
Druze	152	12.4
Alawi	2	0.2
Syrian Orthodox	4	0.3
Total	1224	100

9. Distribution According to Income

Income	Frequency	Percent (%)
Less than 200\$	17	1.4
201-500\$	456	38.3
501-1000\$	421	35.3
1001-1500\$	163	13.7
1501-2000\$	91	7.6
2001-3000\$	29	2.4
More than 3001\$	15	1.3
Total	1192	100

*Some of the interviewees did not report their income

In accordance with the Central Administration of Statistics Report of 1997, the labor force constitutes around 34% of the total Lebanese population. Thus it was decided to assign a 60% load of the questionnaire to the general population and 40% to the labor force in each district.

	Frequency	Percent (%)
Labor Force	490	40
General Population	734	60

10. Public and Private Sector Sample Segmentation

82.8% of the labor force in Lebanon is employed in the private sector, versus 13.6% in the public sector. Consequently, out of the 40% of the labor force, 75.9% will be from the private sector, versus 23.7% from the public sector.

Place of Work	Frequency	Percent (%)
Public Sector	183	23.7
Private Sector	586	75.9
Both	3	0.4

11. Distribution According to Occupation

Occupation	Frequency	Percent (%)
Director	21	1.7
Financial/Admin. Manager	55	4.5
Employee	147	12
Unskilled Laborer	11	0.9
Technician	40	3.3
Housewife	211	17.2
Teacher	95	7.7
Professional	217	17.7
Student	177	14.4
Army/National Security Force	28	2.4
Retired	32	2.6
Unemployed	47	3.8
Driver	25	2.1
Farmer	12	1
Employee in the Service Sector	56	4.6
Employee in the Agricultural Sector	7	0.6
Employee in the Trading Sector	30	2.4
Employee in the Industrial Sector	13	1.1
Total	1224	100

12. Distribution According to Main Job or Specialization

Main Job	Frequency	Percent (%)
Free Enterprise	84	11.7
Literature	59	8.2
Technical Field	56	7.8
Secretariat	18	2.5
Engineering	25	3.5
Computer	16	2.2
Army/National Security Force	15	2.1
Pharmacy	5	0.7
Driver	32	4.4
Hotel Management	10	1.4
Hairdresser, Tailor, etc.	37	5.1
Mayor	2	0.3
Science	17	2.4
Marketing	11	1.5
Accounting	36	5
Law	40	5.6
Skilled Labor	60	8.3
Business Management	62	8.6
Arts	9	1.3
Doctor	24	3.3
Farmer	14	1.9
Teacher	72	10
Nursing	10	1.4
Religious Authority	1	0.1
Media	5	0.7
Total	720	100

*Some of the interviewees were housewives, students, retired or unemployed

C. Definition, Causes and Effects of Corruption in Lebanon

1. Definition of Corruption

The Lebanese people in their various sects, income groups, gender, places of residence, age categories and educational levels reached a quasi-consensus on the manifestations and connotations of corruption. The population's level of awareness and the deep cognition of the phenomenon are striking.

For instance, the population showed a high level of awareness about the various manifestations of corruption. A high percentage of the population, ranging between 46% as the lowest percentage and 72% as the highest, strongly agreed that corruption entails the following: Bribery, kickbacks, acceptance of gifts, nepotism, tax evasion, abuse of power for self- illegitimate profit, adopting legislation to serve the people in power positions, mismanagement of public funds, extortion, multiplicity of laws, leniency, discrimination, opaque (non-transparent behavior), illegal tendering of contracts, expropriation of public properties and gerrymandering (Figures 1a and 1b). The differences in awareness of corruption along sectarian affiliations are shown in Figures 2a and 2b.

A moderate percentage of the population (21.5% to 35.3%) agreed with the conceptual definitions of corruption, thus recognizing its multifarious nature and multifaceted manifestations.

Only a small percentage (ranging from 1.7% to 10.3%) disapproved of the given definitions and a non-significant proportion (0.4% to 2.7%) strongly rejected the offered alternative explanations of corruption.

Figure 1a

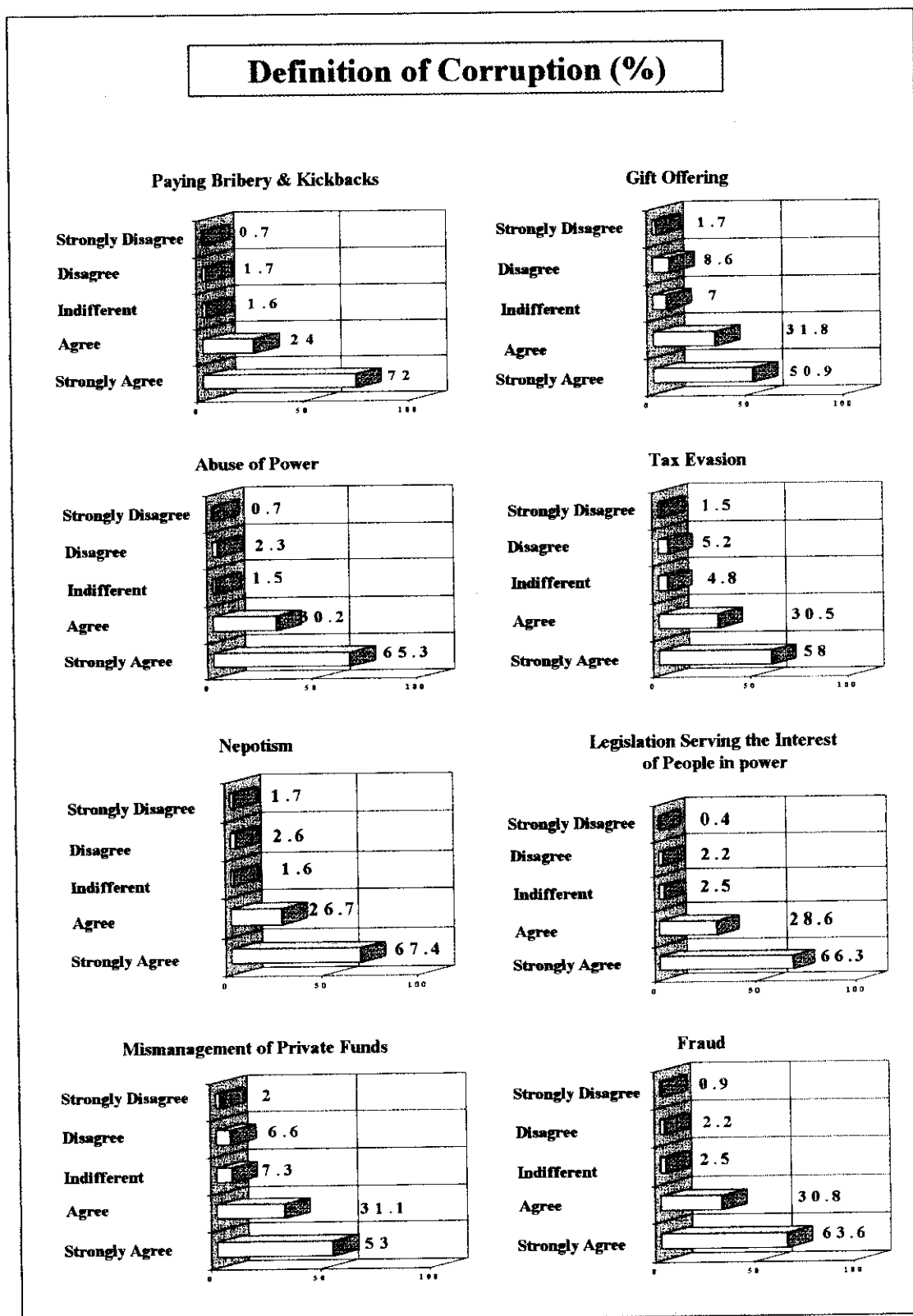


Figure 1b

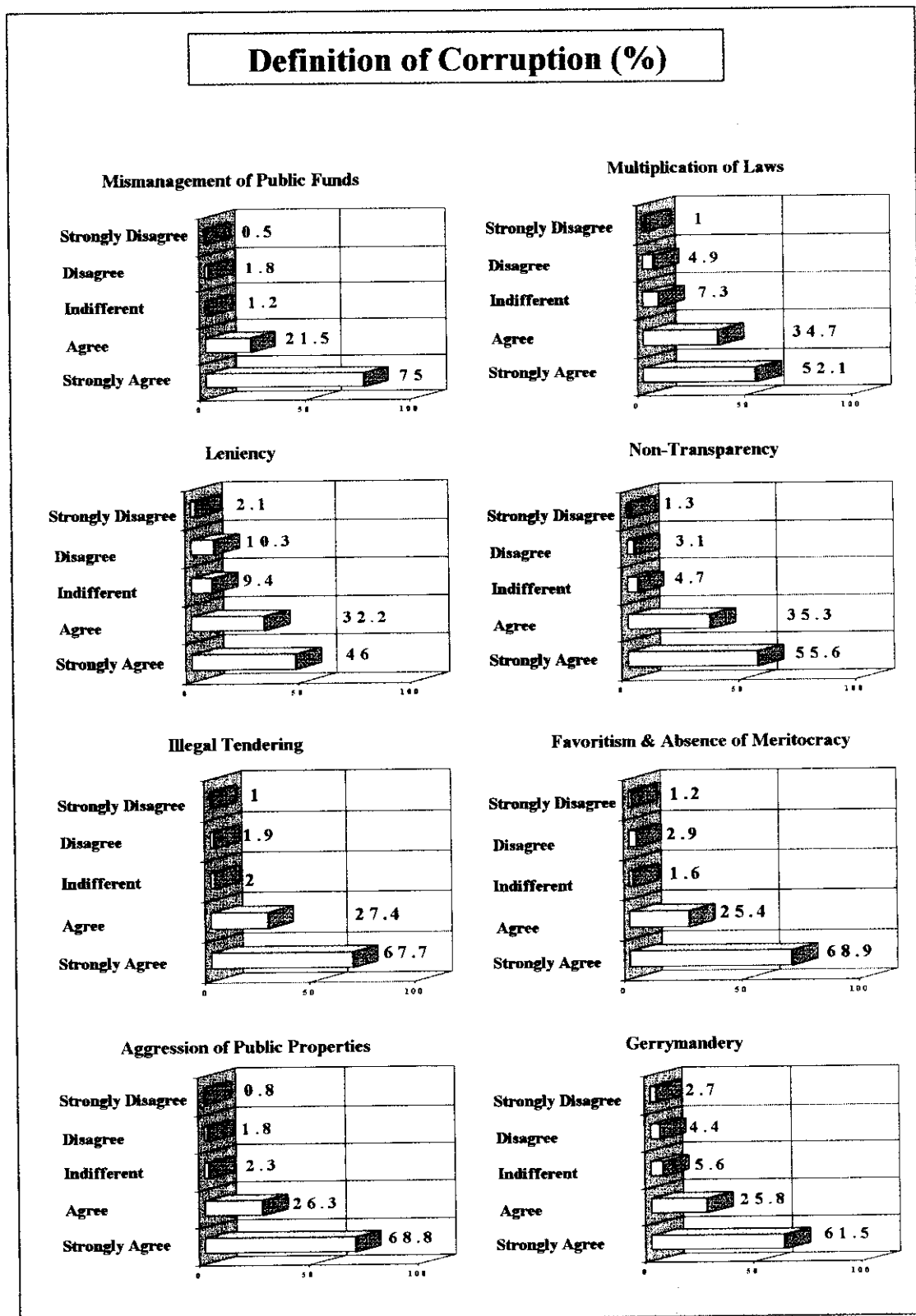


Figure 2a

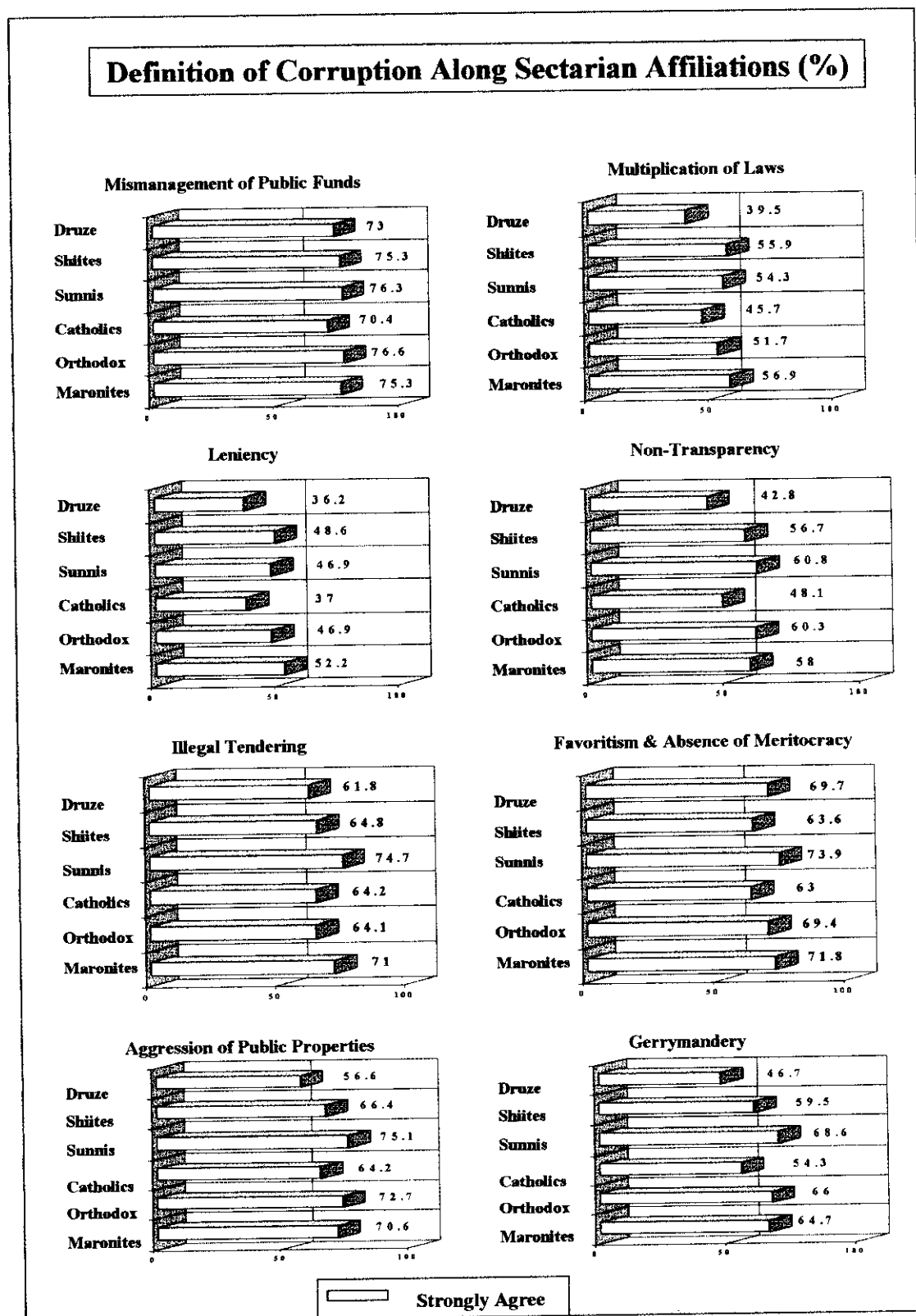
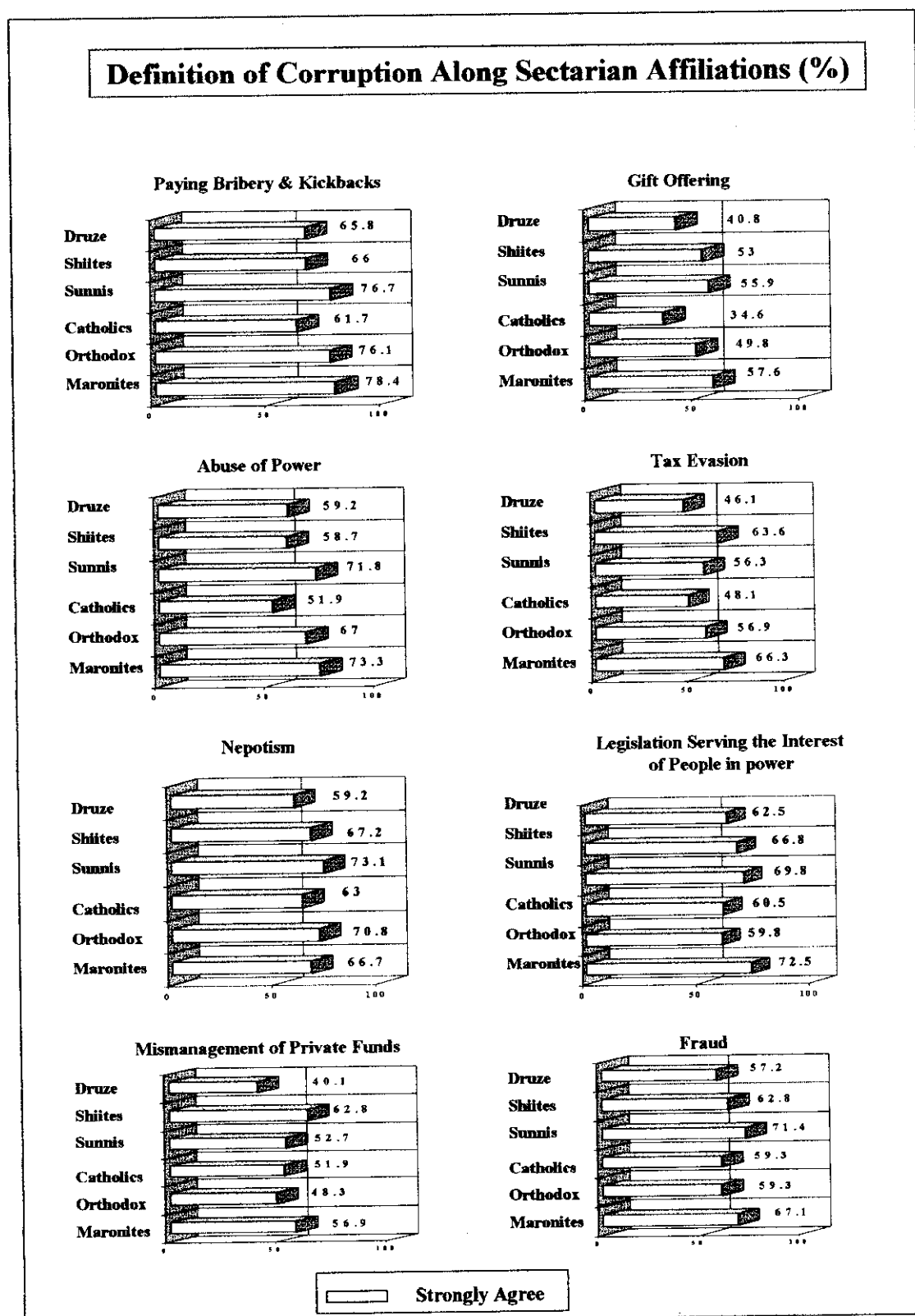


Figure 2b

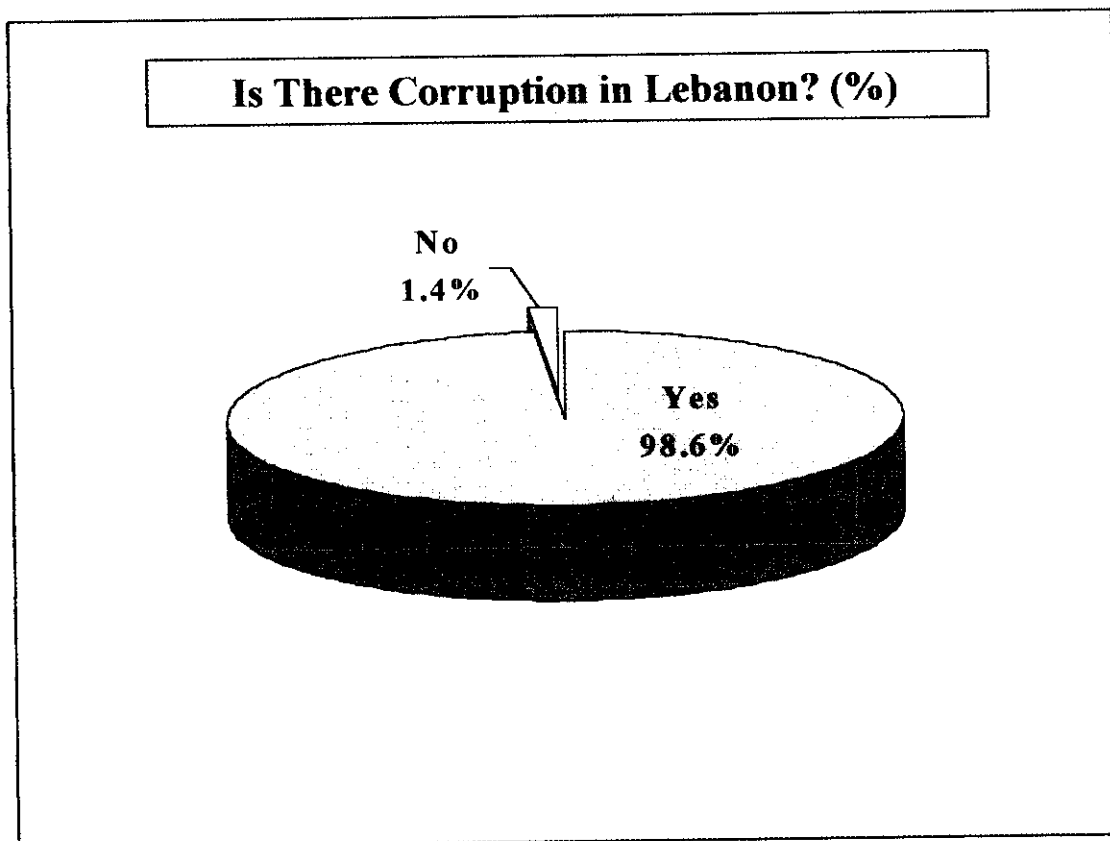


2. Perception of Corruption in Lebanon

An overwhelming majority consisting of 98.6% of the population believes that corruption is all-pervasive in Lebanon (Figure 3). People's perception about the prevalence of corruption indicates a desire to see things change to the better and a willingness or predisposition to curb corrupt practices. Such acknowledgement of the spread of corruption also means that it has become a fact of life and nothing can be done about it. Corruption then becomes an unquestionable and irreversible state of affairs. Corruption turns into a "fait accompli".

Any awareness-building campaign should convey a positive message on the possibility of changing the status quo. Corrupt practices can be deterred and rule of law can prevail if the necessary legal, political and administrative steps are undertaken.

Figure 3



3. Legacy of Corruption

The entrenchment of corruption in Lebanon's political culture is not a new phenomenon (Figure 4). In people's perception, 45.1% referred corruption to the times of the Ottoman rule. 12.7% believed that corruption goes back to the French Mandate, a period when bureaucracy and corruption became synonymous. In viewing the historical legacy of corruption from Ottoman times and through the decade of Lebanon's independence to the present, 20% of the population associated corruption with the first post-independence Lebanese presidency of Beshara El-Khoury, when corruption soared and led to the termination of his office in 1952.

A very small percentage of the population (0.5% to 4.1%) believed that corruption started in the respective presidencies of Camille Chamoun, Fouad Shehab, Charles Helou, Sulciman Franjeh, Elias Sarkis, Bashir El-Gemayel or Amin El-Gemayel and Rene Moawad. A relatively higher proportion of the population (6.7%) related corruption to the presidency of Elias Hrawi (Figure 5). This correlation of corruption with Hrawi's presidency is a clear indication of the high perception among the Lebanese population of the spread of corrupt practices during his administration.

Figure 4

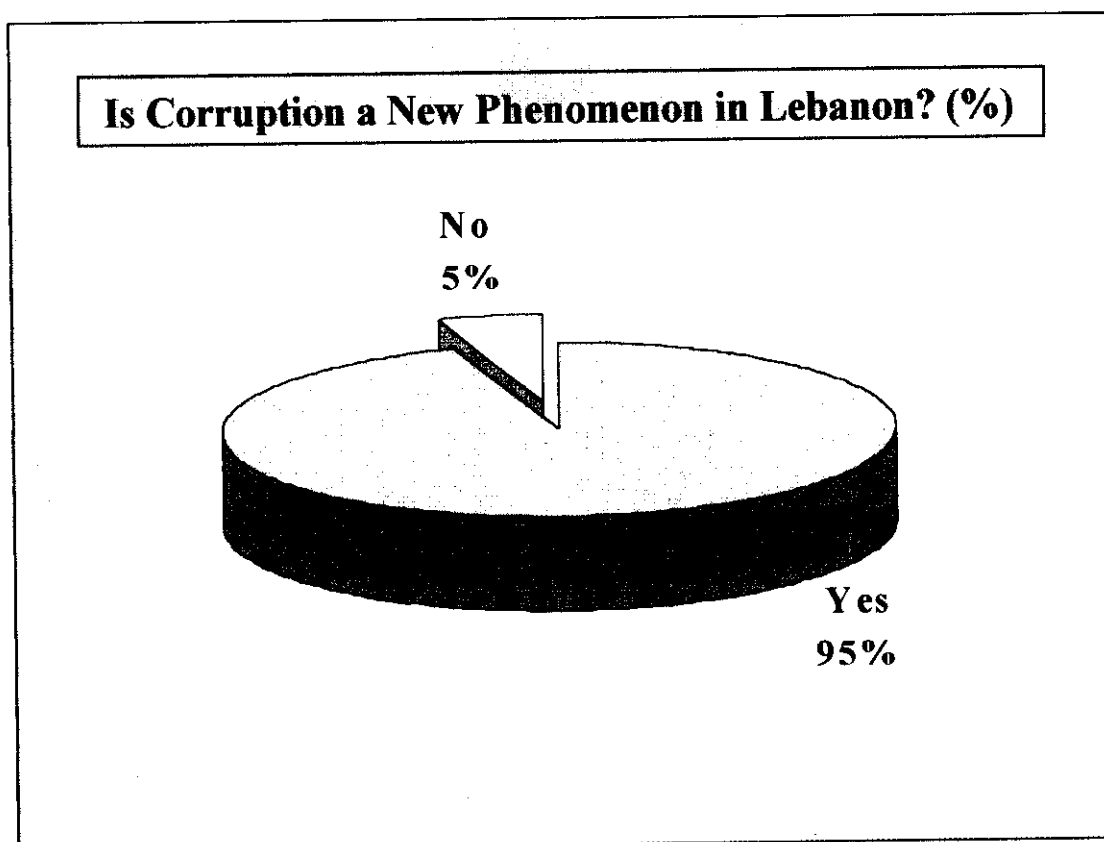
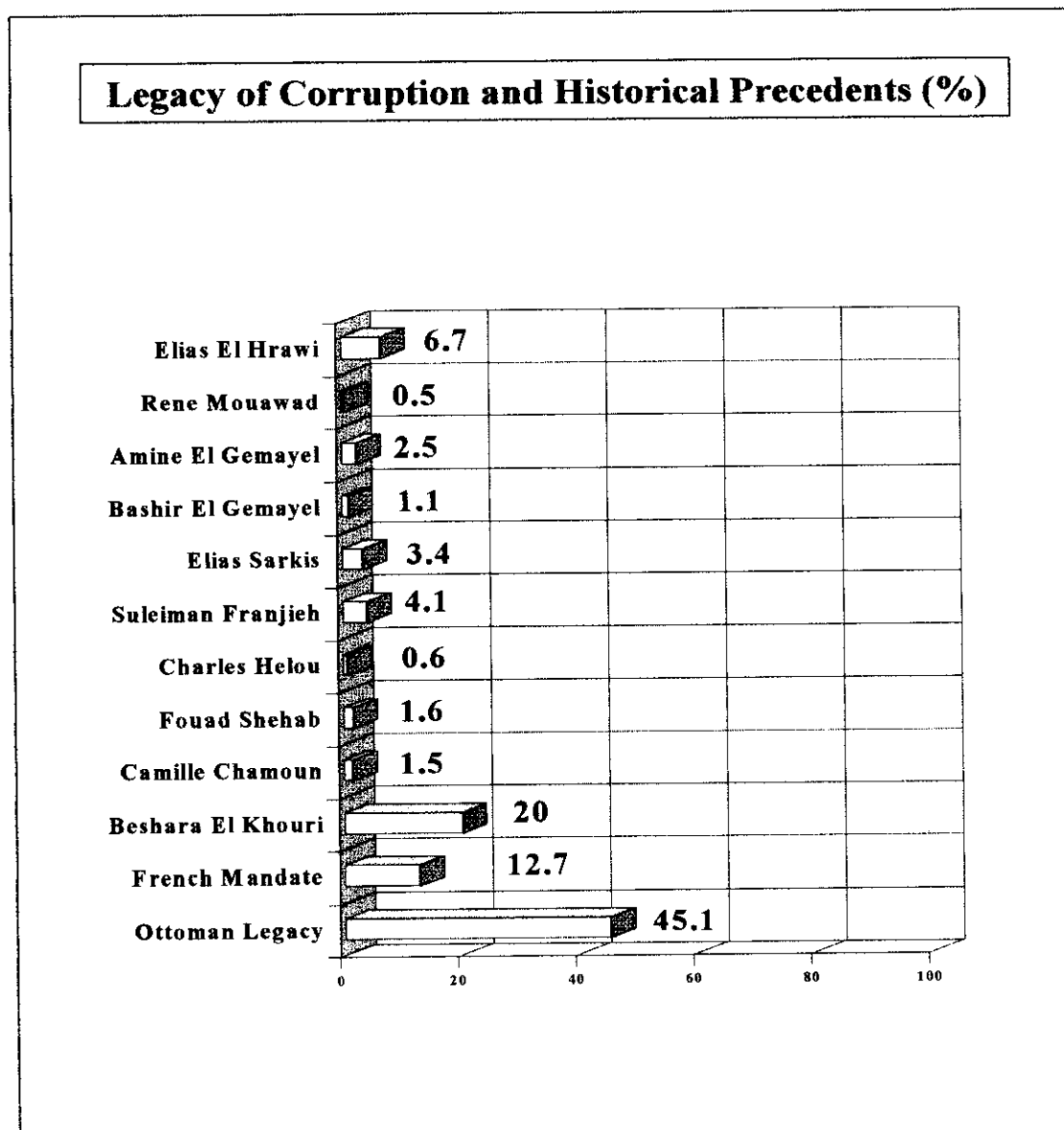


Figure 5



*Note that Rene Mouawad and Bashir El Gemayel were elected but did not rule

4. Causes of Corruption

Lebanese people, in general, associate corruption with a weak sense of civic duty, the lack of suitable enforcement laws, the non-existence of transparency mechanisms, the deficient nature of administrative reform, the mal-effects of war and foreign interference and the low wages of civil servants. People are aware that an independent and expeditious judiciary appropriate legislation, backed by an educated electorate, can raise detection and deter corruption.

For instance, the population attribute corruption to the following causes: 64.4% to the inefficiency of controlling and inspection mechanisms; 55.3% to the non-existence of citizen protection laws; 58.8% to the weakness of civic education; 56.6% to leniency in law enforcement; 65% to foreign interference; 64.8% to political feudalism; 54.3% to the non-independence of the judiciary; 63.5% to the non-existence of a clear and continuous program for administrative reform; 51.4% to the low wages of public employees; 57.6% to the devastating effects of war on Lebanese society; and 52.8% to the reluctance of Lebanese citizens in denouncing and reporting on cases of corruption (Figures 6a and 6b).

40% of the population strongly agree and 25.2% agree that corruption is caused by the influence of religious clerics. 17.6% do not agree and 9.2% strongly disagree with the same opinion. This indicates that 65.2% of the population reprobrates and condemns religious interference in the secular administrative and political affairs of the state.

The difference in perception on the causes of corruption along the lines of sectarian affiliation and educational level are shown in Figure 7. Additionally, Figure 8 investigates some differences in perception according to age.

Although people show a strong secular tendency, the Lebanese constitution does not provide for a voluntary civil status personal law and, consequently, for civil marriage.

For many social and political observers, the delineation between secular and sacred affairs is a pre-condition for the abolition of political confessionism and for strengthening national integration. National loyalty must transcend sectarian affiliations and loyalties; otherwise the Lebanese people will remain scattered along heterogeneous lines and primordial loyalties, thus sustaining schisms and divisiveness.

Figure 6a

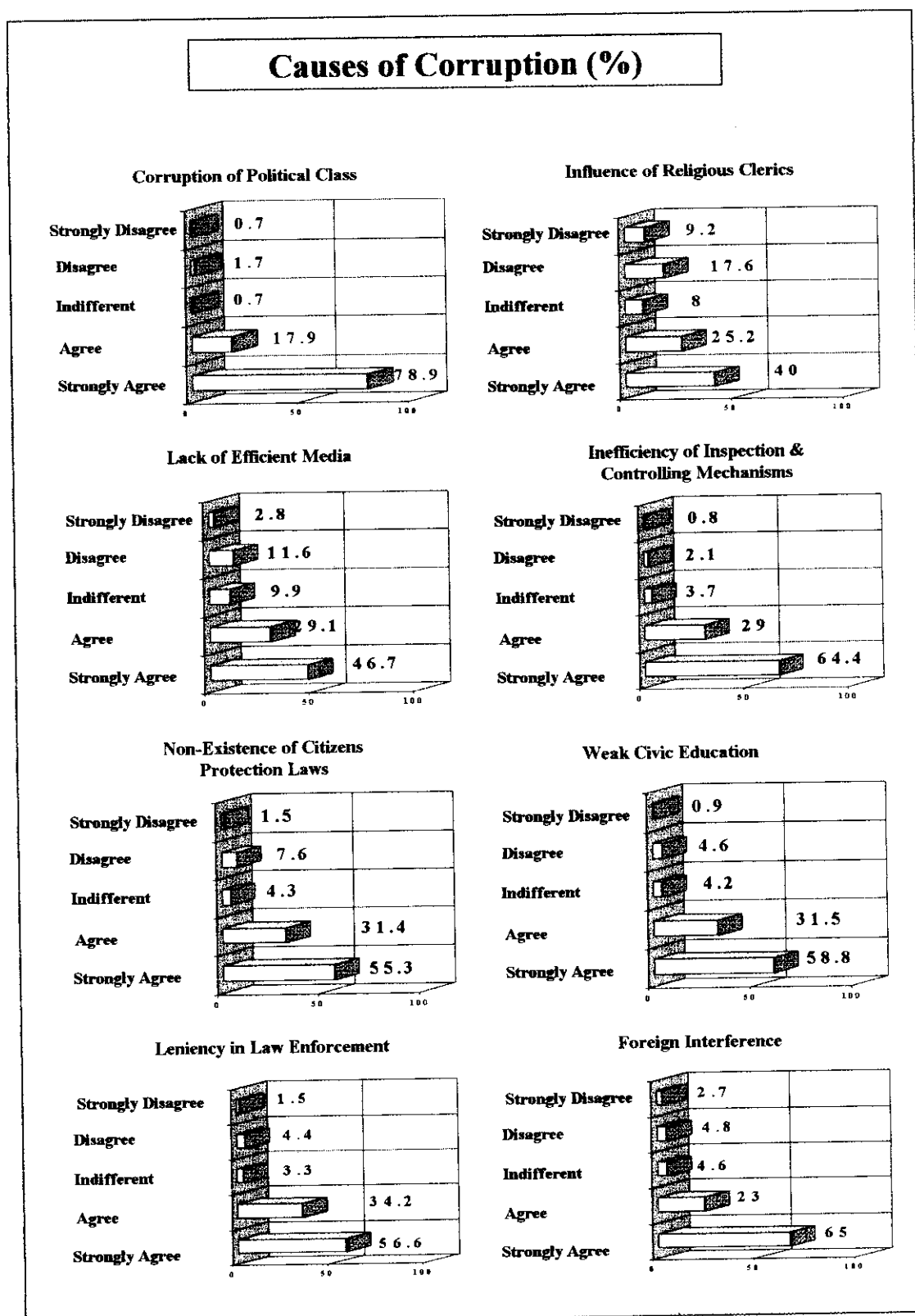


Figure 6b

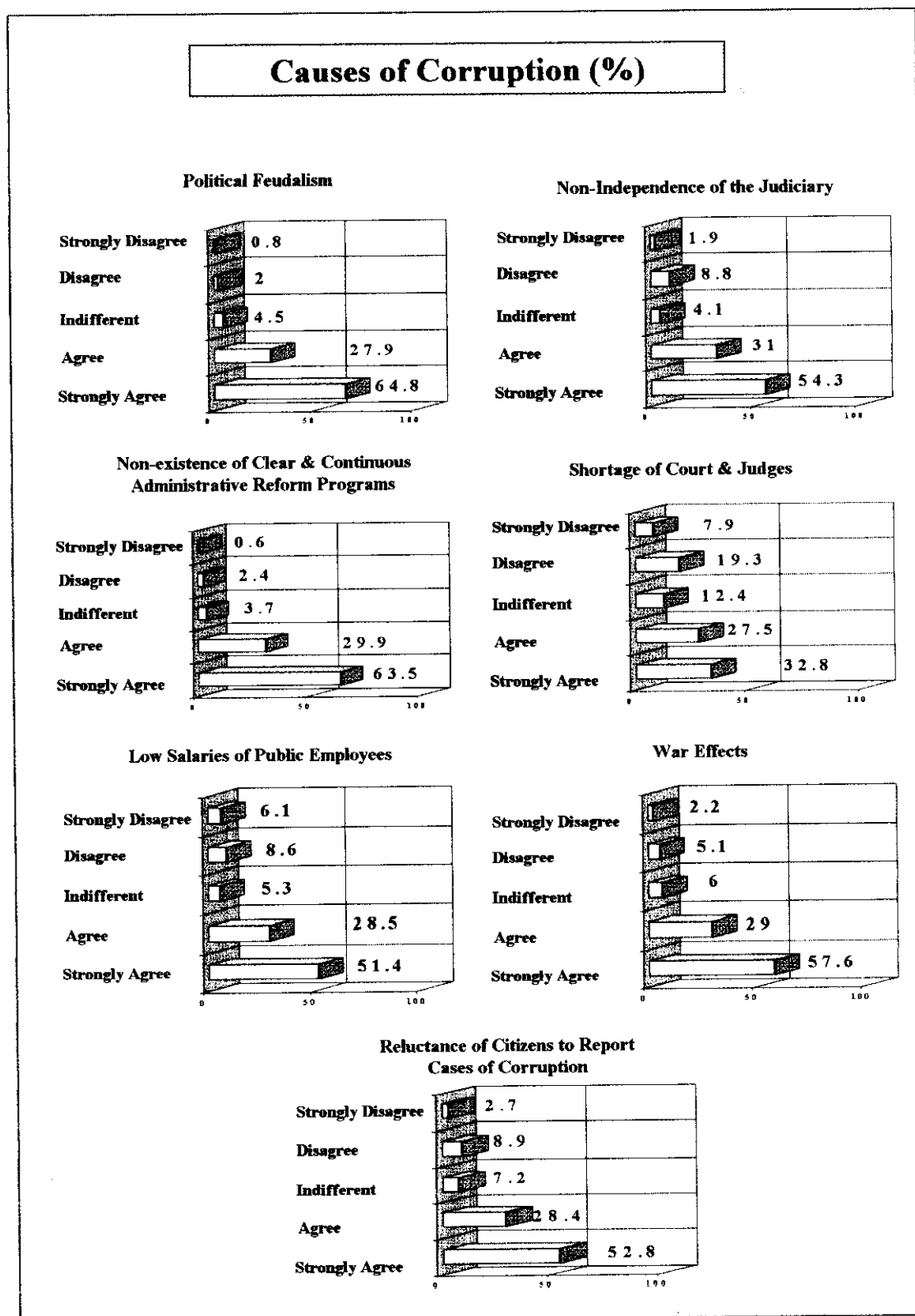


Figure 7

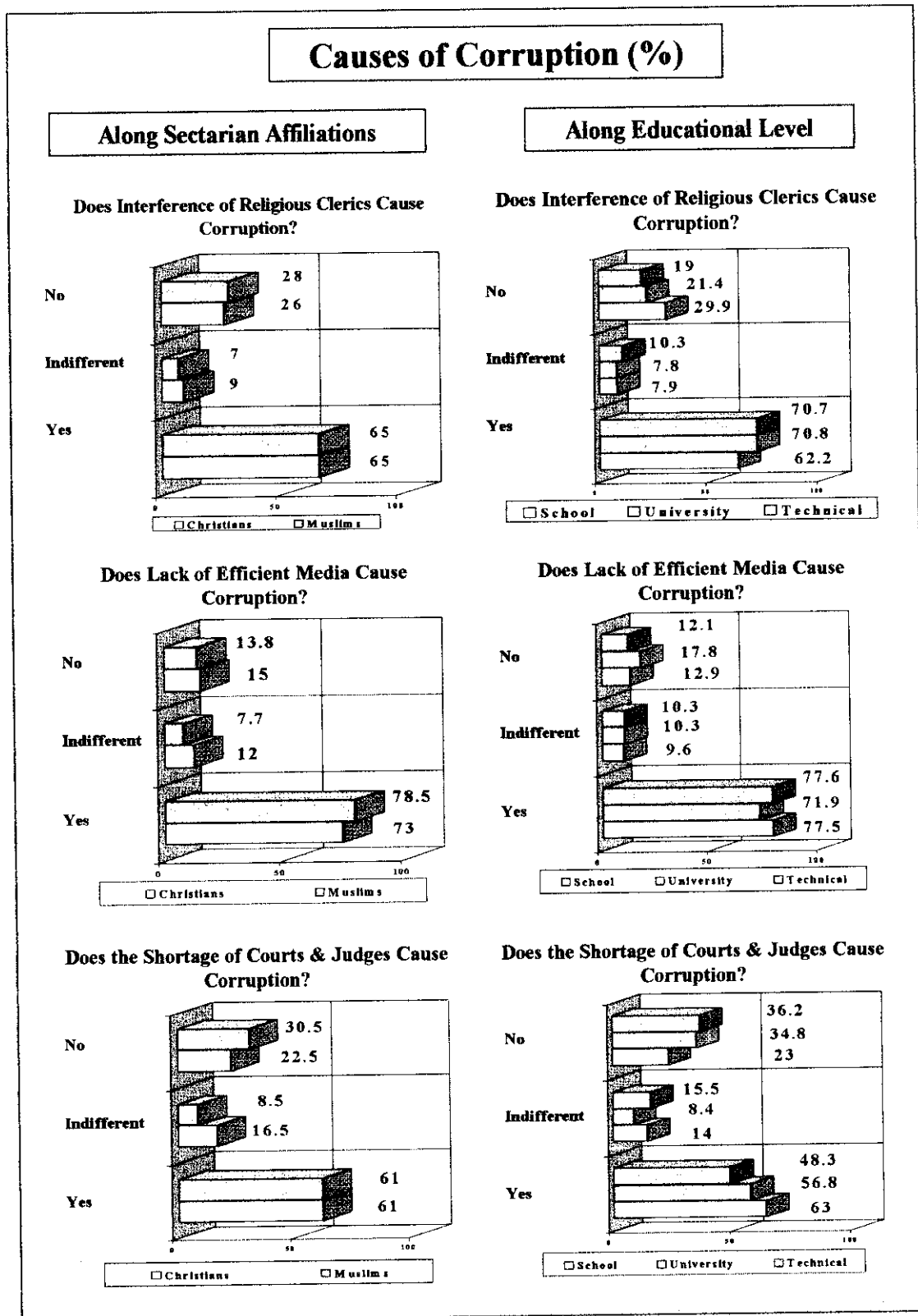
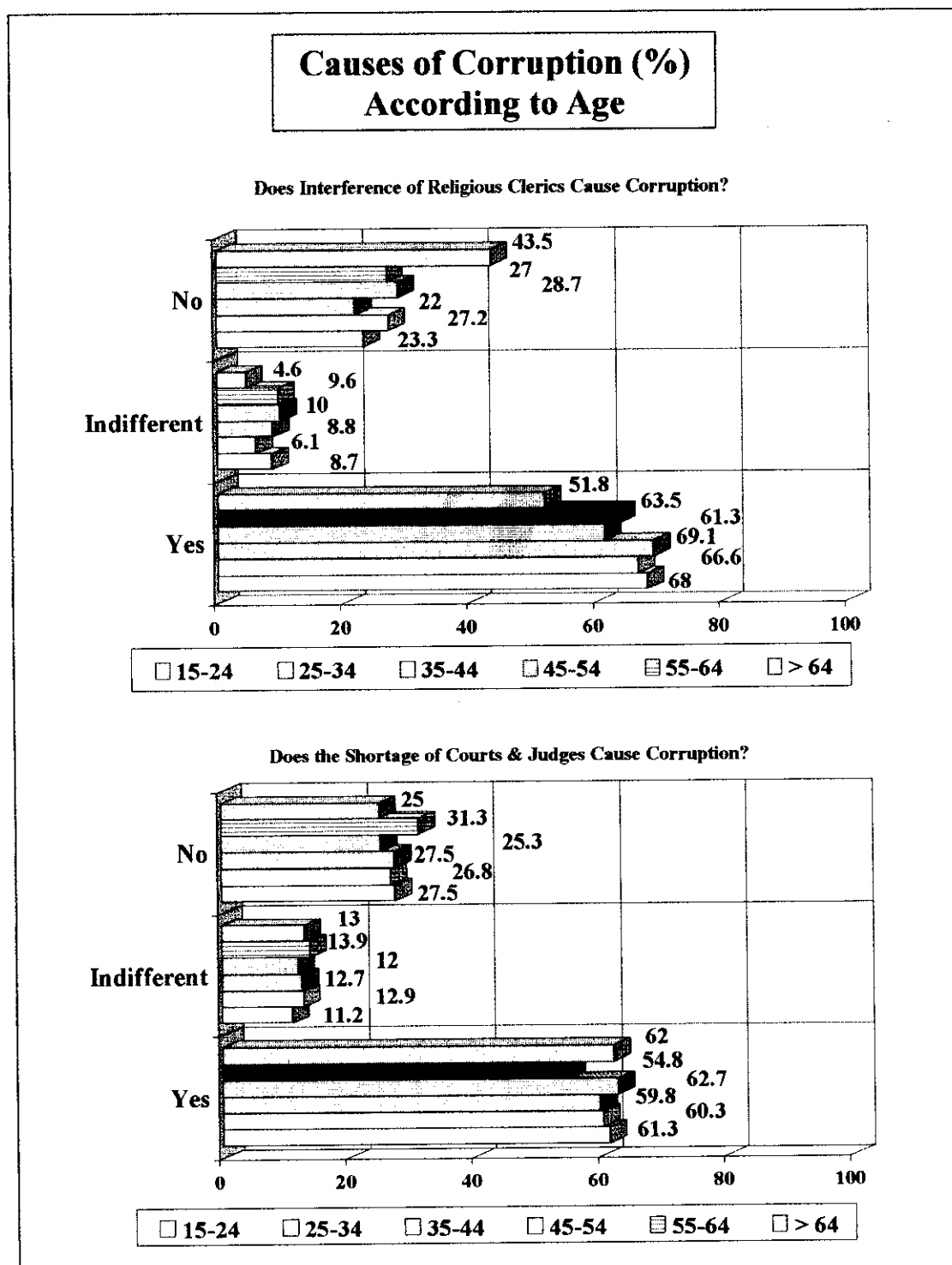


Figure 8



5. Effects of Corruption

A negative correlation between the degree of corruption and the level of foreign investment and economic growth suggests that corruption has had large adverse effects on Lebanon's private investment and economic growth. Corruption also alters the composition of government expenditures, since corrupt governments spend less on education, health and public investment. Corruption hence increases socio-economic burdens. It lowers economic growth, breeds poverty, social disparity and unequal opportunity.

The opinion of the Lebanese people was not far from that truth. For instance, 57% and 60.1% of the population strongly agreed that corruption discourages local and foreign investment respectively. 58.6% strongly agreed that it slows economic growth and 61% that it increases social disparity. 53.1% strongly agreed that it leads to institutional paralysis, 55.2% that it augments administrative costs, 59.3% that it hurts civic education and public interest and 62.8% that it consecrates individualism and arbitrariness. Another 68.5% of the population strongly agreed that corruption promotes the abuse of power, 65.2% that it increases the social burdens on citizens and 72.8% that it increases the economic burdens. 60.1% of the population said that it abolishes the principle of the free of cost civil service and 60.2% that it hinders the equality of opportunity of citizens before the law (Figures 9a and 9b).

Figure 9a

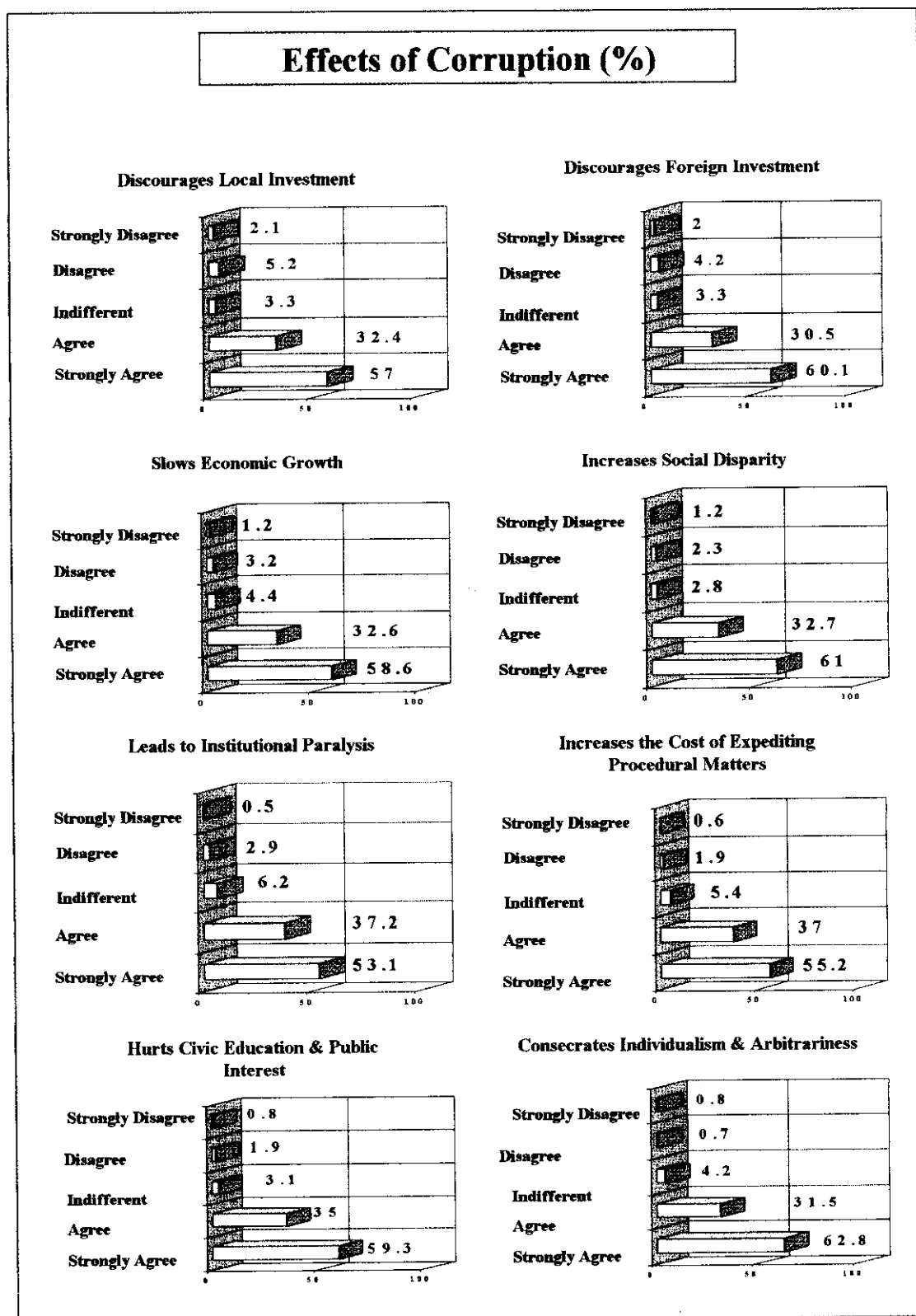
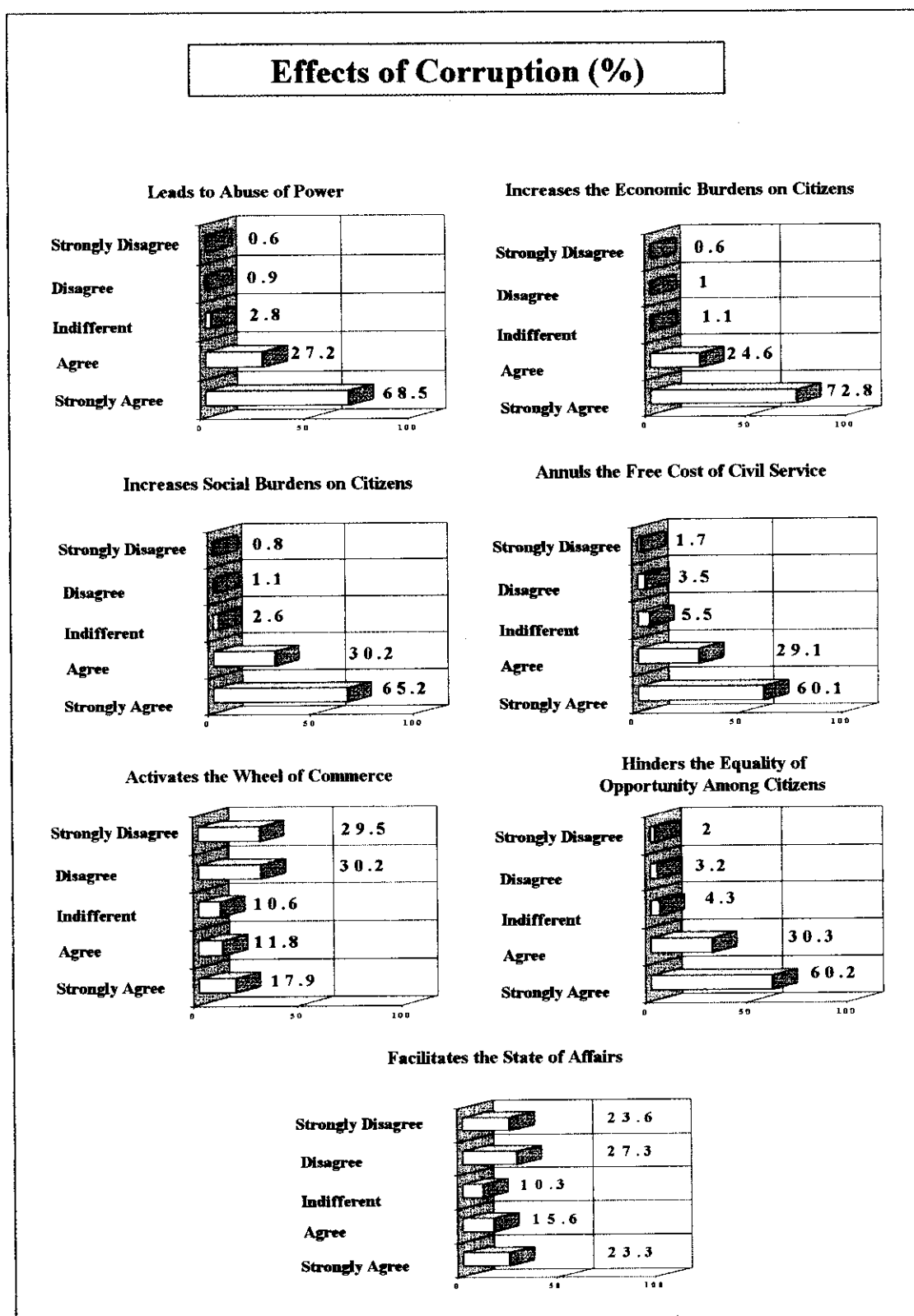


Figure 9b



D. The Most Corrupt Segment of Lebanese Society

Around one-quarter of the population (24.3%) consider "the whole state" as the most corrupt entity in the Lebanese society (Figures 10 and 11). People are dissatisfied of the political system, namely the executive, legislative and judicial branches of government and the public administration.

Confirming and reiterating public repugnance and denunciation of the pervasive corruption in Lebanon, an additional 21.4% of the population consider that "all politicians" are corrupt or that politicians are the most corrupt segment in Lebanese society. In naming the most corrupt segments in Lebanese society, 14% of the population consider ministers, 10.3% members of parliament, and 9.5% public employees or heads of various state administrative departments.

Such a sweeping indictment of the whole class of politicians indicates a high degree of public non-satisfaction with the performance of political leaders. Lebanese citizens do not believe in political, administrative or even judicial accountability. Shehab labeled politicians in Lebanon as "fromagistes", i.e. people who want to get their illegitimate share of the public pie to enrich themselves at the expense of the public treasury. This negative perception of the role of politicians still prevails. Any serious endeavor to embark on an anti-corruption campaign needs to convince people of its seriousness and instrumentality.

The civil society needs to reconsider its opinion about the state if bonds of trust are to be built and a partnership established between them. However, and most importantly, political leaders in various branches of government need to demonstrate an unflinching commitment to ethical behavior, moral rectitude, social justice, equitable economic development, political equity, meritocracy, incorruptibility and institutional efficiency.

Public decision-makers and civil servants need to regain public trust in their mission as fair allocators of resources, arbiters, reconcilers of divergent tendencies and promoters of public interest. No anti-corruption process can bear fruitful results if there is public distrust in state and government. "Nothing is more qualifying to government than to become a protector". If the Lebanese government is not perceived as such, no anti-corruption process can ever succeed.

Figure 10

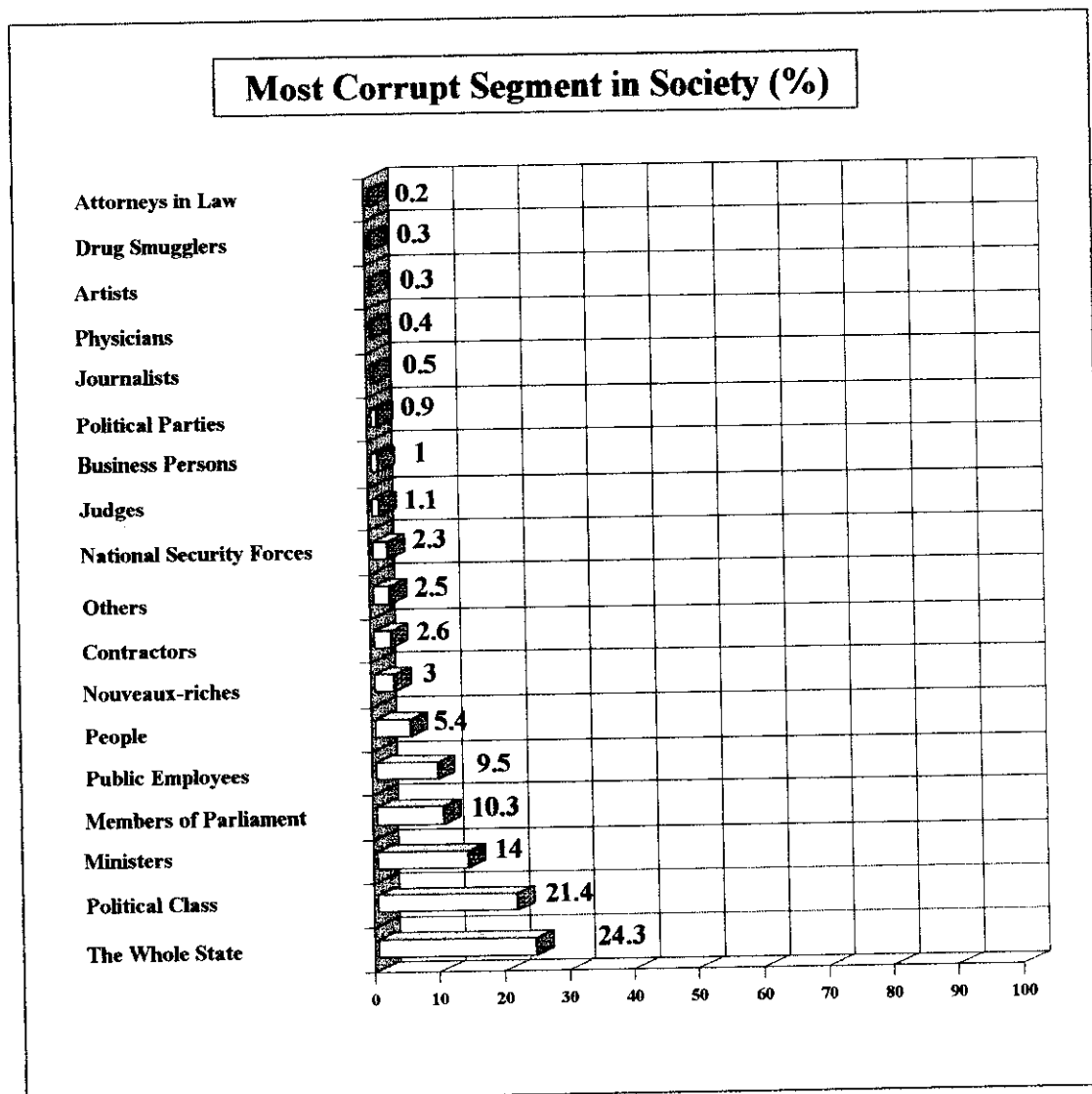
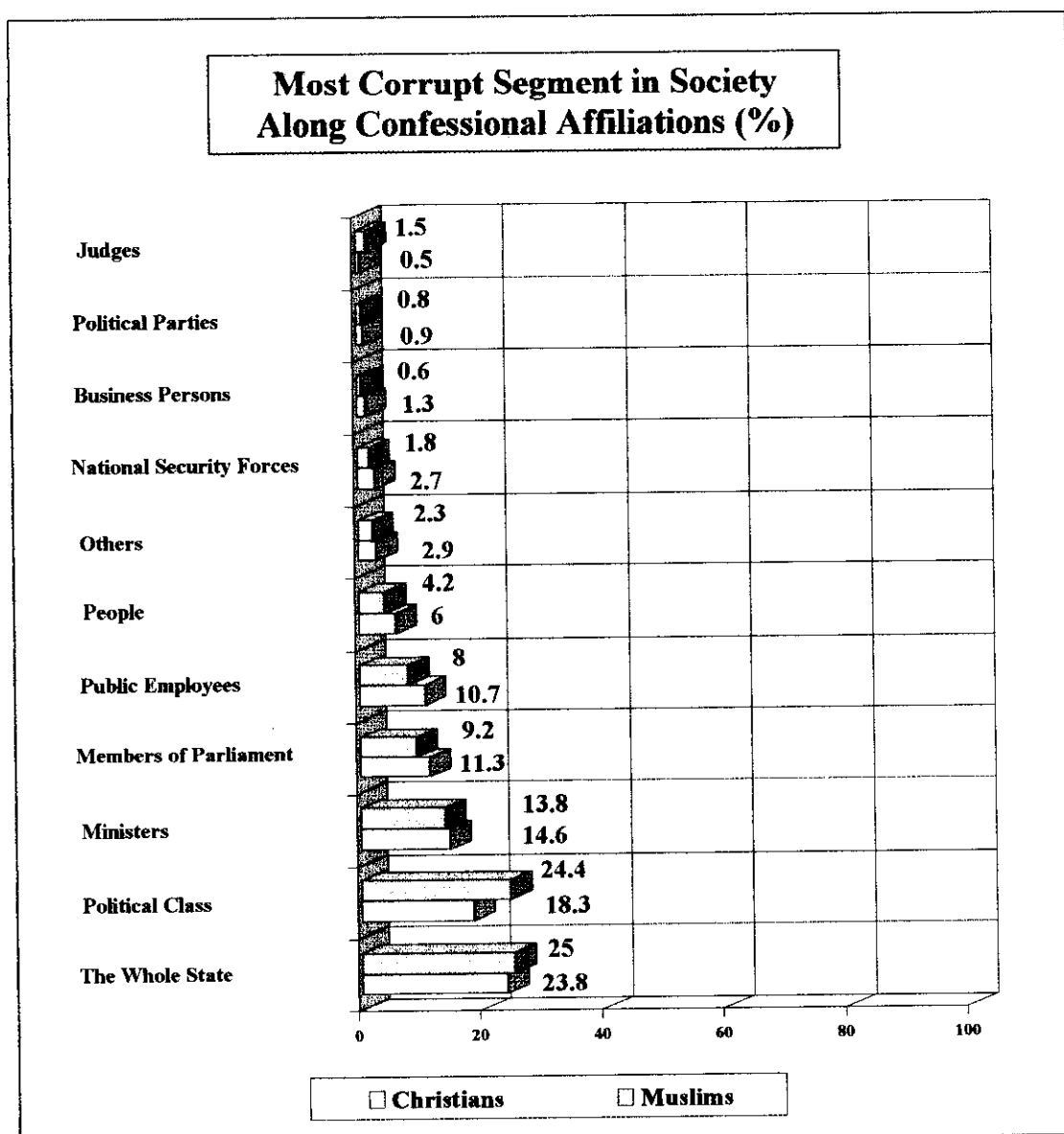


Figure 11

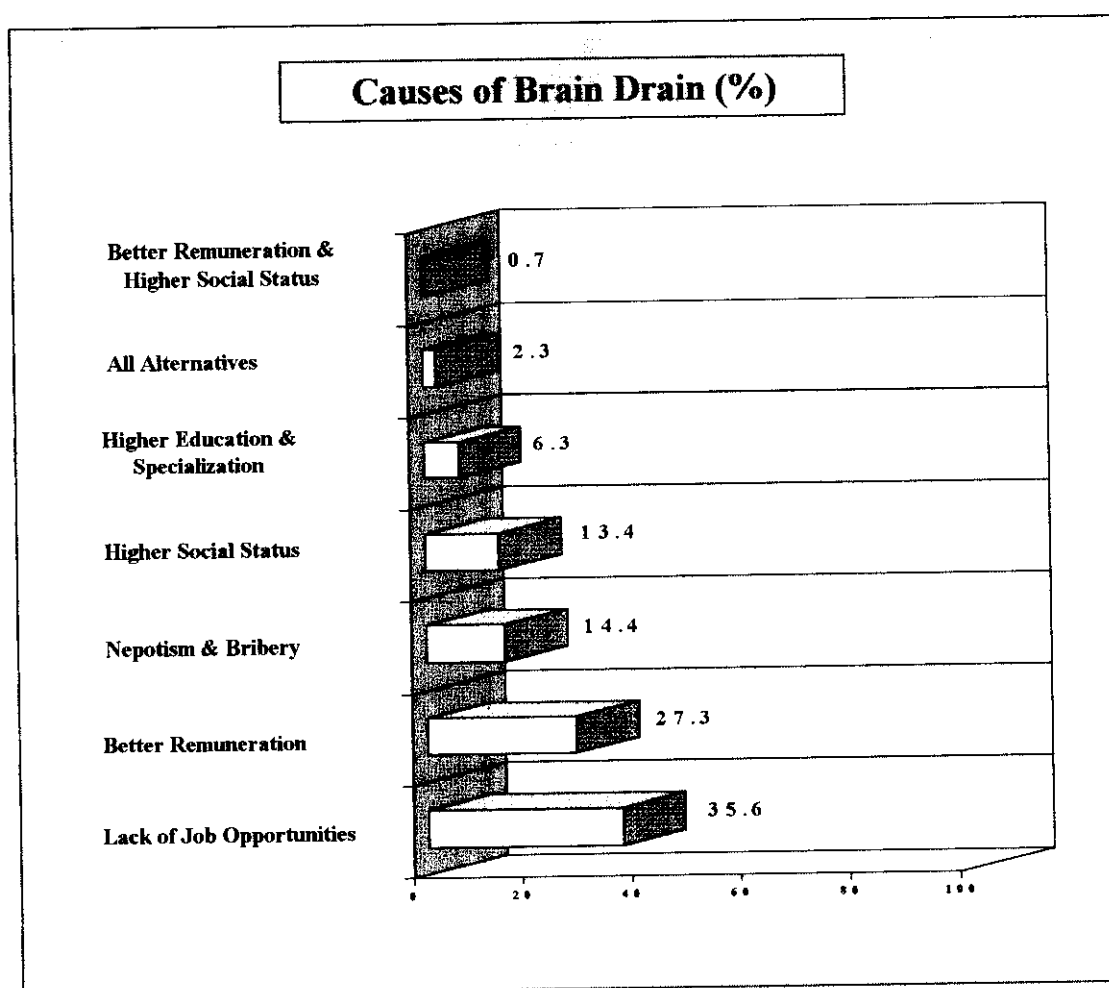


E. Causes of Brain Drain

The population was split over the identification of the main cause for the Brain Drain or the emigration of people equipped with high managerial skills and professional capabilities. While 27.3% attributed the Brain Drain to a desire for better salaries and remuneration, 14.4% pointed to the prevalence of bribery and nepotism in the Lebanese society, 13.4% to the need for higher social status, and 6.3% to the quest for further specialization.

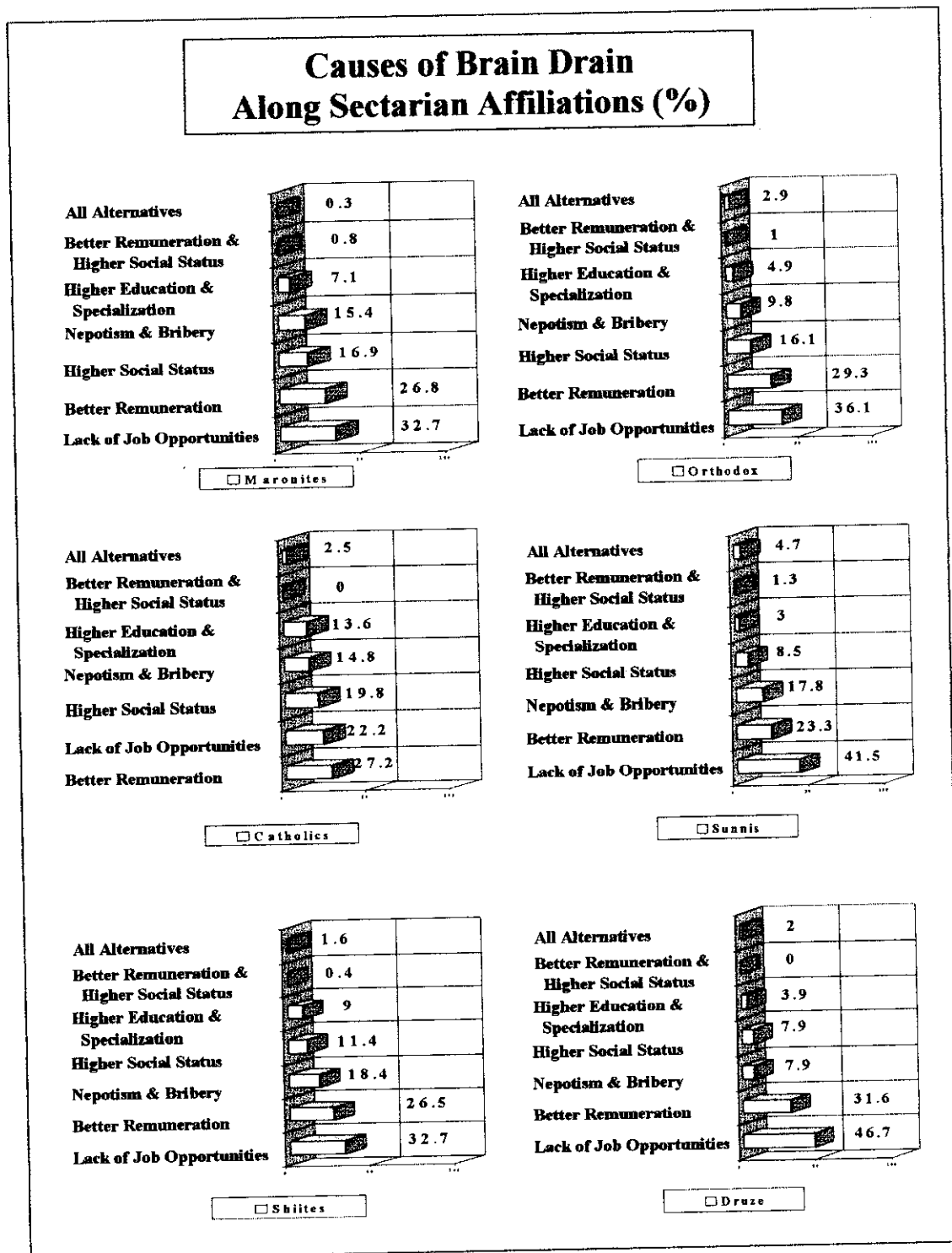
35.6% stated that the lack of suitable job opportunities constitutes the main impetus for the emigration of qualified people from Lebanon, which indicates that the Lebanese job market is becoming more and more incapable of absorbing the professional, technical and intellectual capacities of its specialized manpower (Figures 12 and 13).

Figure 12



Republic of Lebanon
Office of the Minister of State for Administrative Reform
Center for Public Sector Projects and Studies
(C.P.S.P.S.)

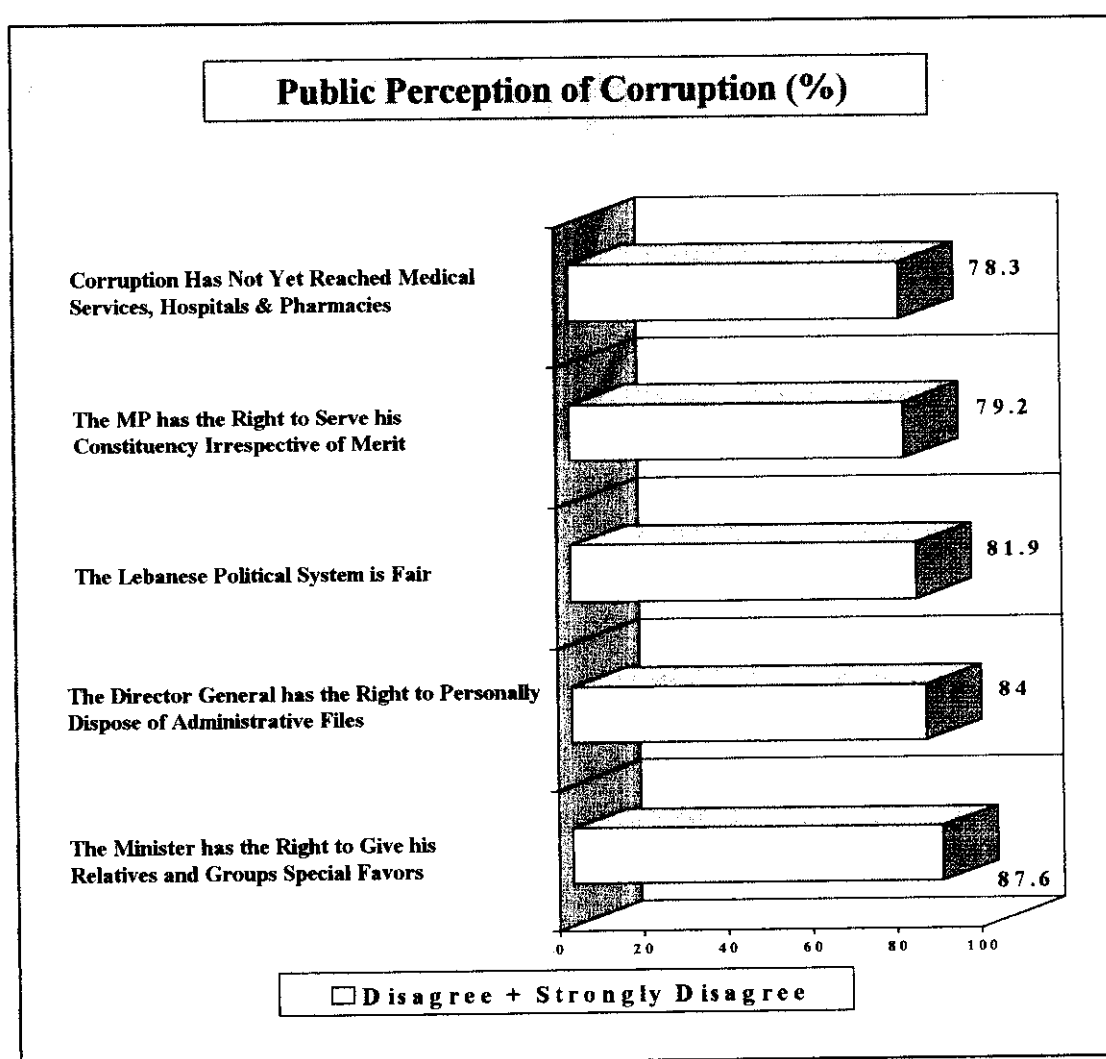
Figure 13



F. Lebanese Attitudes vis-à-vis the Practice of Corruption

Lebanese politicians are perceived as individualistic people that work to serve their own interests instead of promoting the public good. For instance, 87.6% of the respondents disagreed and strongly disagreed with the fact that ministers have the right to give their relatives and groups special favors (Figure 14). Similarly, 79.2% disagreed and strongly disagreed that members of parliament have the right to serve their constituency disregarding merit. 81.9% accused the political system of being unfair.

Figure 14

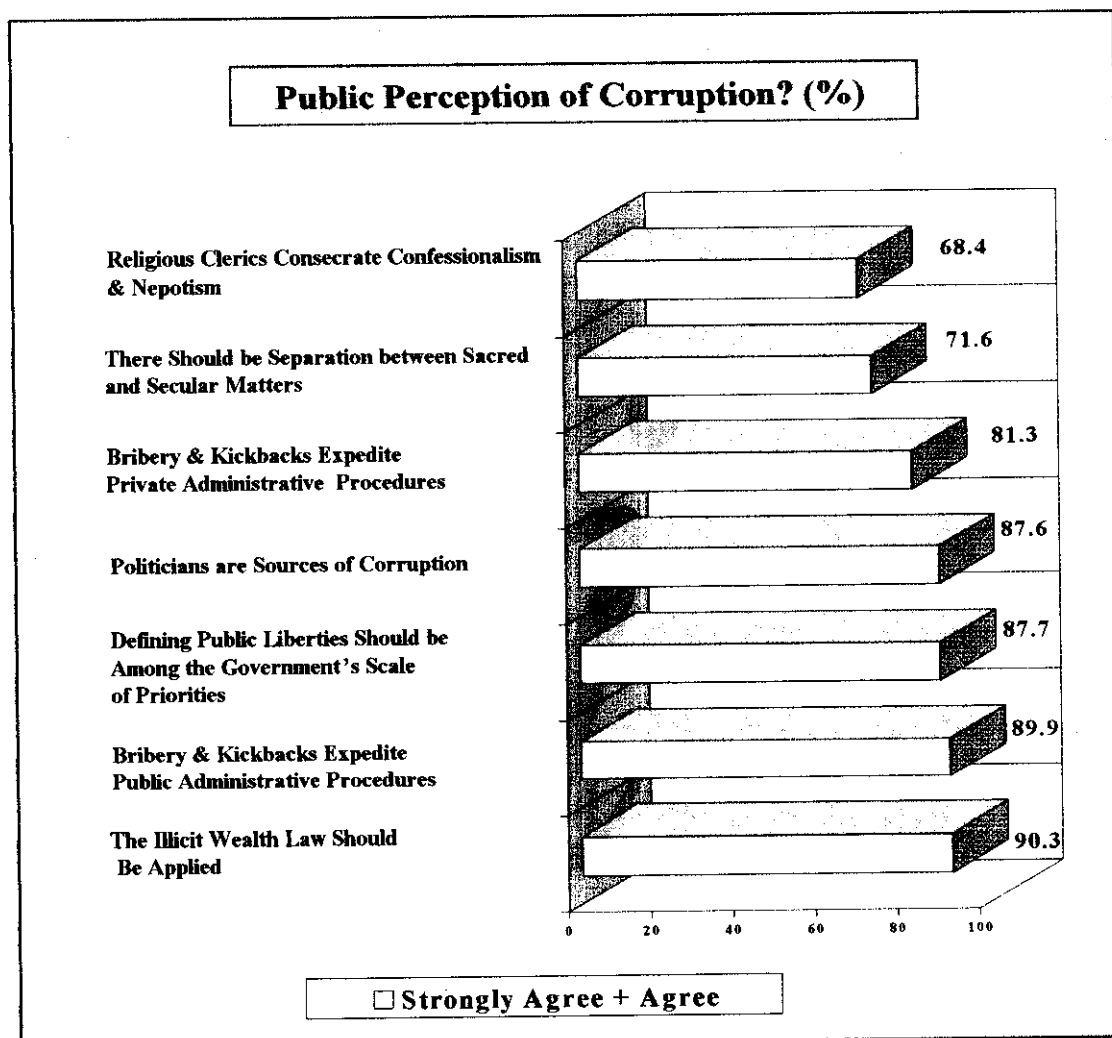


Although the majority of the population condemns corruption, 89.9% strongly agree and agree that bribery and kickbacks expedite the conclusion of public administrative procedures, thus admitting that "grease money" is necessary to get things done inside the public administration. 81.3% of the population strongly agree and agree with the statement that bribery also expedites affairs in the private sector. Paying kickbacks and bribery is a common practice in Lebanon (Figure 15). Therefore, an ideal civil servant that is ethically committed to public service, not expecting any extra payoff is a myth in Lebanon. Public officials are perceived as greedy opportunists who do not respond to the needs of citizens except when they receive bribery. The Lebanese people, in general, expect to pay bribery to hasten public and private performance.

On the other hand, 87.6% of the population considered politicians to be the ultimate source of corruption in the country. 68.4% had a negative perception of religious clerics behavior and 71.6% called for the separation between sacred and religious matters. It is obvious that the population from various sects i.e. Maronite, Greek Orthodox, Greek Catholics, Sunnis, Shiites and Druze are critical towards the indulgence of religious clerics in corrupt practices. They hold a low opinion about their religious dignitaries and disapprove of their public behavior and attitudes.

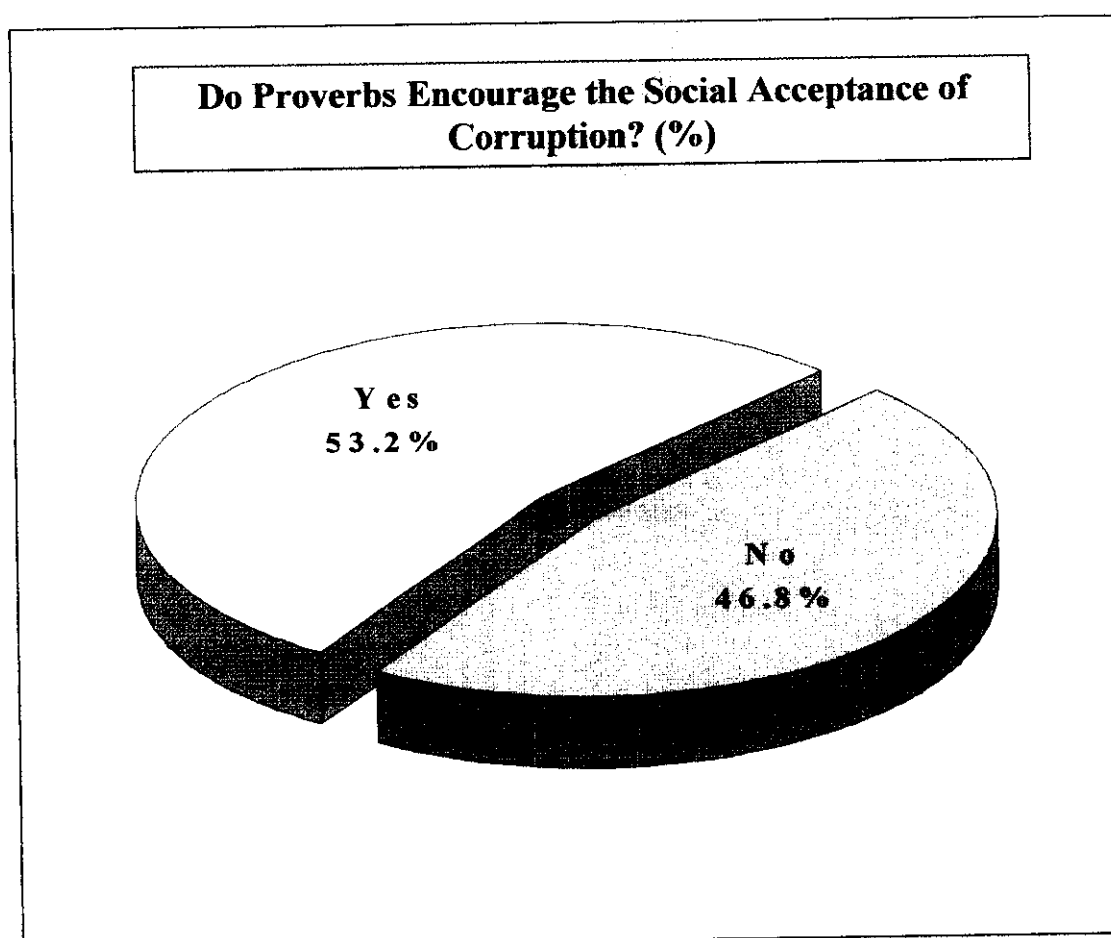
Identifying some of the anti-corruption mechanisms, 90.3% called for the immediate application of the Illicit Wealth Law, 76.4% indirectly wanted the reformation of the judiciary and 87.7% recommended according absolute priority to the protection of public liberties.

Figure 15



There is a clear penchant towards social Darwinism in the fact that the majority (58.5% to 76.5%) of the respondents was positively receptive to popular proverbs, moral tales and cultural parables gravitating around the theme of the "survival of the fittest" and "might makes right". For instance, 53.2% of the population believe that proverbs encourage social acceptance of corruption. They are, in a way, saying that these proverbs constitute a set of orienting ideas that can encourage excessive greed, blunt materialism, selfish individualism and arrogant opportunism (Figure 16).

Figure 16



It is important to note that 80.5% of the population blame the individual citizen for the prevalence and acceptance of corruption. This indicates a movement towards social and political activism. People would like to be more vocal about corruption and are ready to publicize their grievances. They are predisposed to shed their apathy and get more closely involved in anti-corruption campaigns. Although 87.9% believe that corruption is so entrenched in Lebanon that it may be inconceivable to extract it, people are willing to give anti-corruption campaigns, a trial.

G. Compliance Habits

The greatest changes in society come through changes in habits of compliance. When the compliance habits of the population decline or disappear, laws may become virtually unenforceable. Generally, laws become difficult to enforce when less than 90% of the population obey them voluntarily. Laws, the habits of compliance and the probabilities of law enforcement enable a society to continue to function within limits. We can change society by changing laws, so long as they are obeyed.

The Lebanon Anti-Corruption Initiative Report clearly stated that "compliance habits are the invisible partner of the government, but they do more than 90% of the job" (Deutch, 15). If most automobile drivers do not develop the habit of stopping at red lights without a traffic policeman being present, the law about traffic lights would be impossible to enforce at any reasonable cost.

Similarly, the habits of most people to abide by rules and regulations such as paying taxation, recycling garbage, voting during elections, driving cautiously or paying electricity bills make it practical to enforce laws on the small minority of people; those who rarely or occasionally abide by such habits.

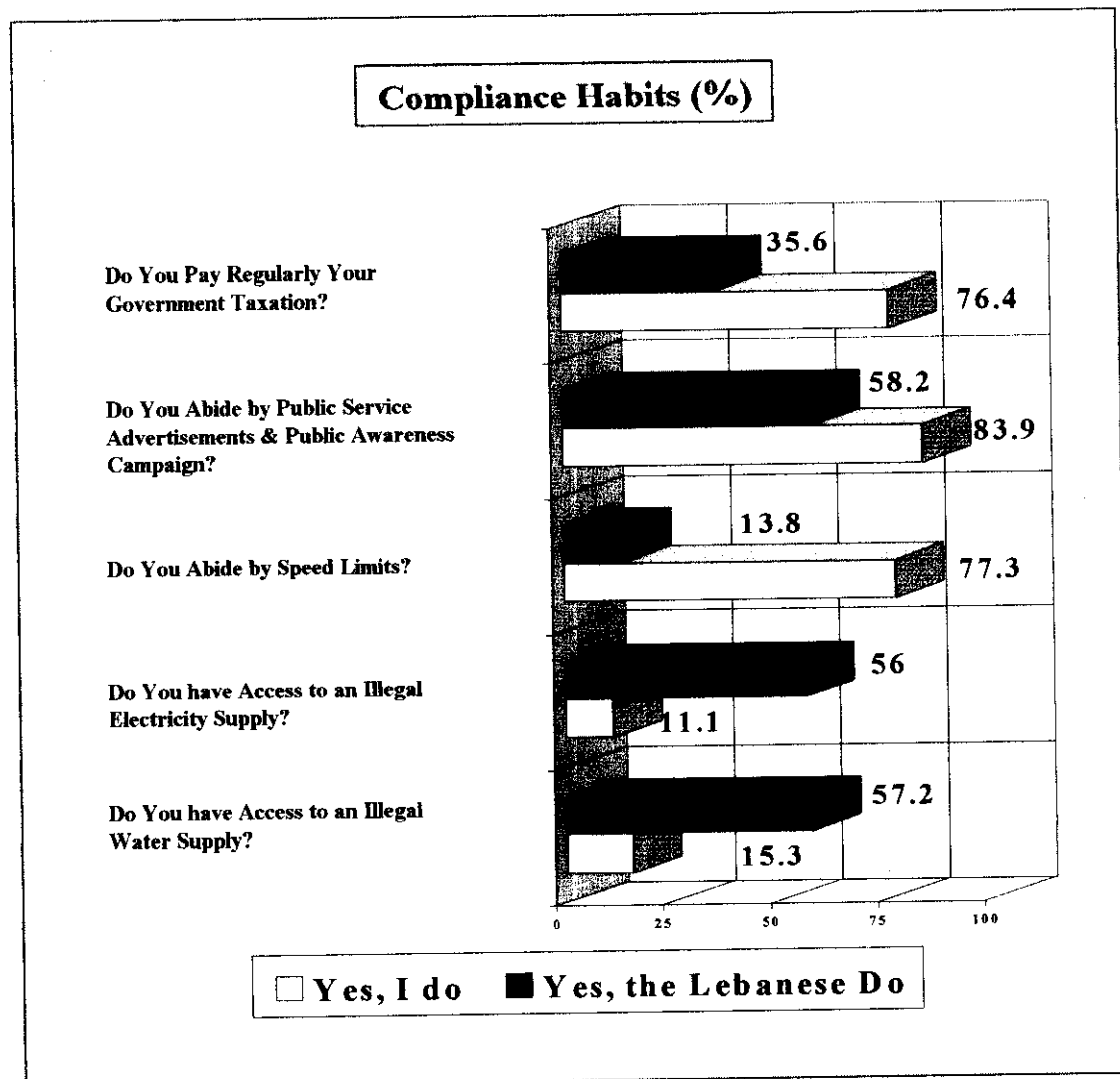
When asked whether they comply by the speed limits, 77.3% of the population answered positively and showed a high level of voluntarily imposed compliance habits. Similarly, 82.3% of the population said that they pay traffic fines, 87.5% that they stop at red lights and 93.5% that they recycle their garbage. Moreover, 76.5% of the respondents said that they pay taxation regularly and 63.3% said that they declare purchases to the customs (Figure 17).

Ironically, when asked whether, according to their social observation, the Lebanese people do comply with the previous rules and habits, the majority of the respondents i.e. 64.4% as the lowest percentage and 86.2% as the highest percentage answered negatively. They thought that the Lebanese population, in general, has weak compliance habits and civic discipline. This indicates that the population engaged in an act of behavioral camouflage and ethical duplicity, not to say social hypocrisy. They refrained from admitting that they personally engaged in practices that the Lebanese people in general embarked upon.

They insulated themselves from any corrupt practice while saw everybody else as corrupt. This lack of moral rectitude, attitudinal straightforwardness and ethical decency indicate a serious lack of civic virtue. Around 70% of the Lebanese population develop defensive mechanisms to shield themselves from accusations of corruption, all while condemning the misbehavior and mal-practices of others.

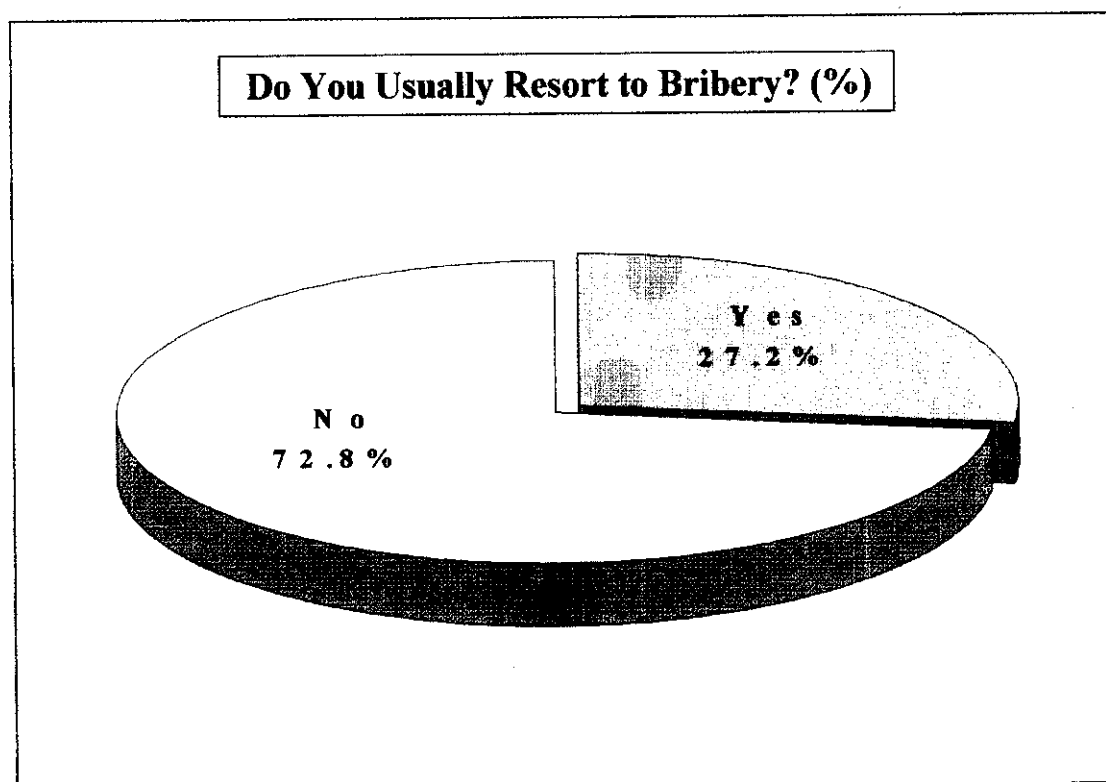
People undoubtedly need training in ethics and in good citizenship. They need to develop compliance habits because it is an inseparable part of their social obligations as contributing members of society.

Figure 17



27.2% of the respondents were frank enough to admit that they have resorted to bribery in order to expedite public administrative procedures (Figure 18).

Figure 18



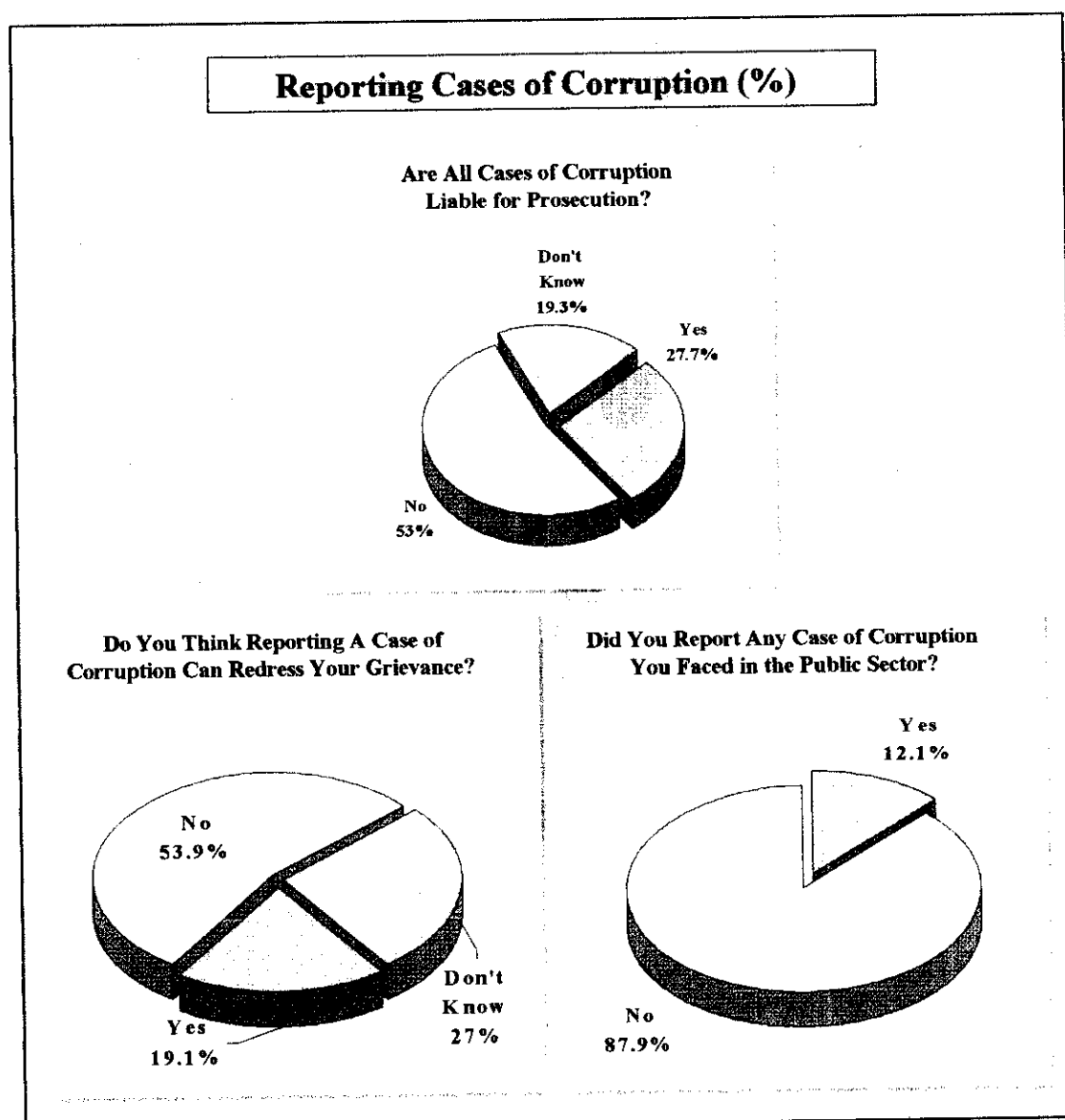
H. Consciousness about Corruption

The skepticism of the population towards the receptivity of the public authorities in responding favorably to their potential political activism and public reporting of corrupt practices is high. 53% reported that not all cases of corruption are liable for public scrutiny and prosecution. An additional 53.9% did not believe that they could reach a positive result if they ever publicized a case of corruption. 87.9% declared having never reported any case of corruption (Figure 19).

This is a manifestation of strong feelings of apathy and helplessness among the Lebanese population. They have not been politically socialized and do not seriously believe that their political involvement or civic participation in the public affairs of their country really count.

12.1% of the respondents said that they reported cases of corruption. Those resorted to various means and channels: 30% used the vehicle of the complaints office in the presidential palace; 22% went to the media; 19.3% used the complaint boxes in various ministries; 14.7% went to the judiciary and 14% solicited the assistance or support of a social organization.

Figure 19



The disappointment lies in the fact that 65.4% reported that their public grievance was not redressed. This calls for the necessity of implementing mechanisms and adopting policies to assure that citizens' complaints are heard and grievances redressed.

The population shared a high awareness about the existence of anti-corruption legal frameworks and institutional structures. They named the Illicit Wealth Law, the Bureau of Accounts, Articles 351, 357, 359, 367 and 371 of the penal code, the Civil Service Council, the High Judicial Council, the Central Inspection Commission, the National Institute of the Public Administration, the Constitutional Council and the Supreme Court.

This awareness, if genuine, should nevertheless be supported by the stipulation of operational and easily implementable anti-corruption laws, the establishment of specialized bodies to prosecute corruption and the adoption of financial management controls.

Moreover, Lebanese public institutions should encourage citizens to report corrupt practices by issuing guarantees of anonymity, setting up easy access telephone lines and encouraging citizen groups to act against corruption. A strong civic infrastructure, a thriving community foundation, a healthy climate for giving and volunteering, all create an impetus for fighting corruption. Finally, awareness-building campaigns to empower citizens and encourage their strong participation in public affairs are crucially needed if anti-corruption efforts are to have any concrete results.

I. Fighting Corruption

62.4% of the Lebanese people believe that non-governmental organizations (NGOs) help in limiting the scope of corruption. 37.6% think that NGOs are no more than facades for the people in power and cannot play a role in internal policies due to lack of experience. 16.4% of the citizens show a willingness to join an NGO to help fight corruption (Figure 20).

The role of NGOs in strengthening political and civic consciousness as well as citizens' involvement in public affairs should be crystallized. There should be further encouragement for social activism and volunteerism if a strong civic infrastructure is to be built in the anti-corruption fight.

Figure 20

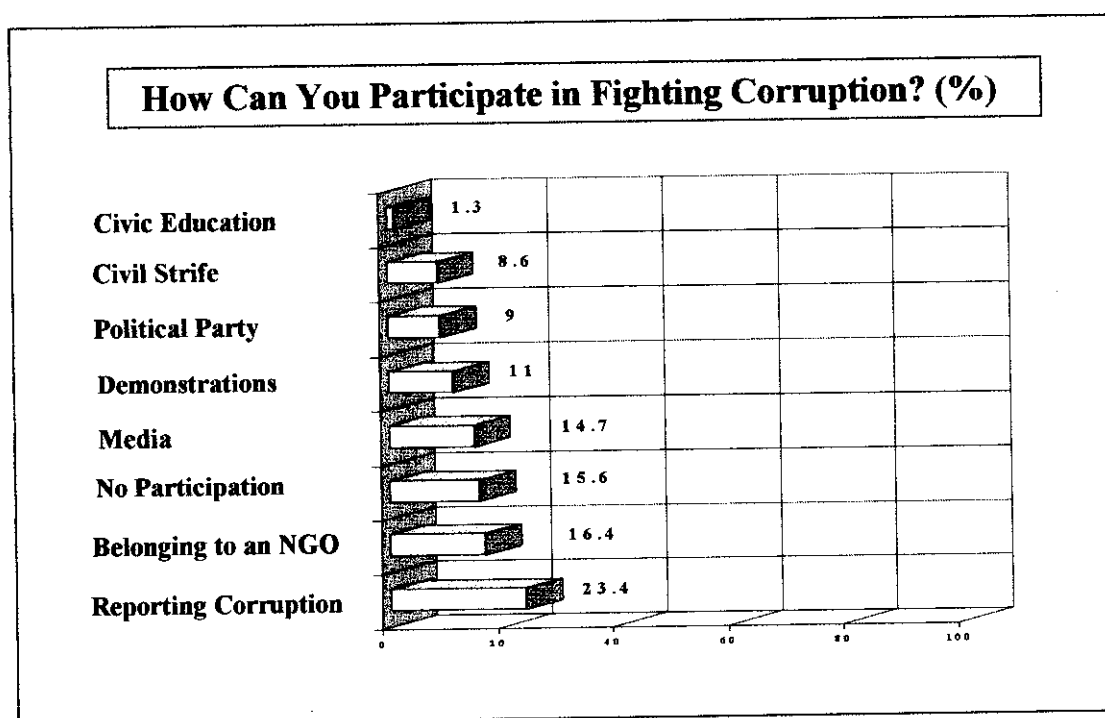


Figure 21

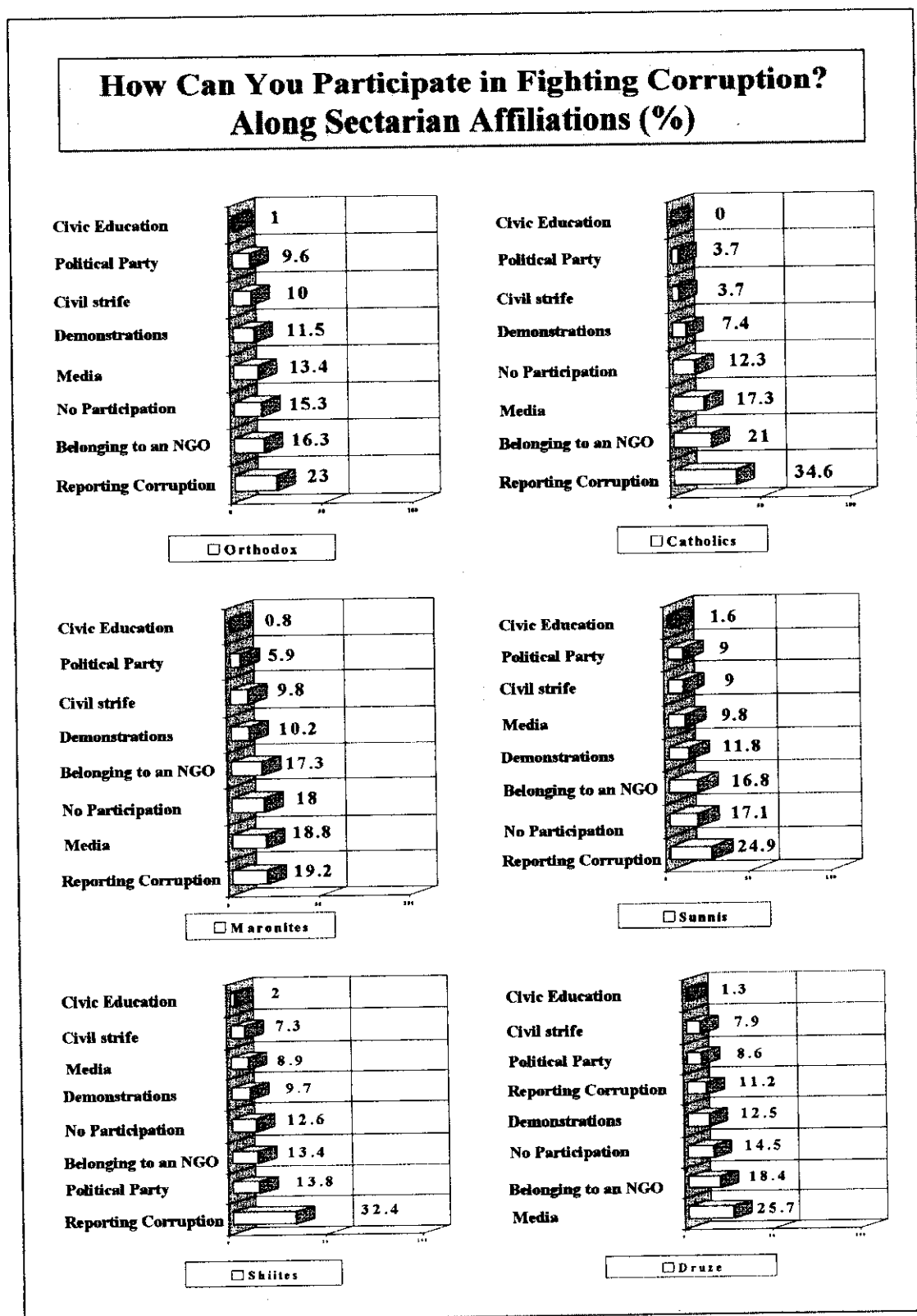
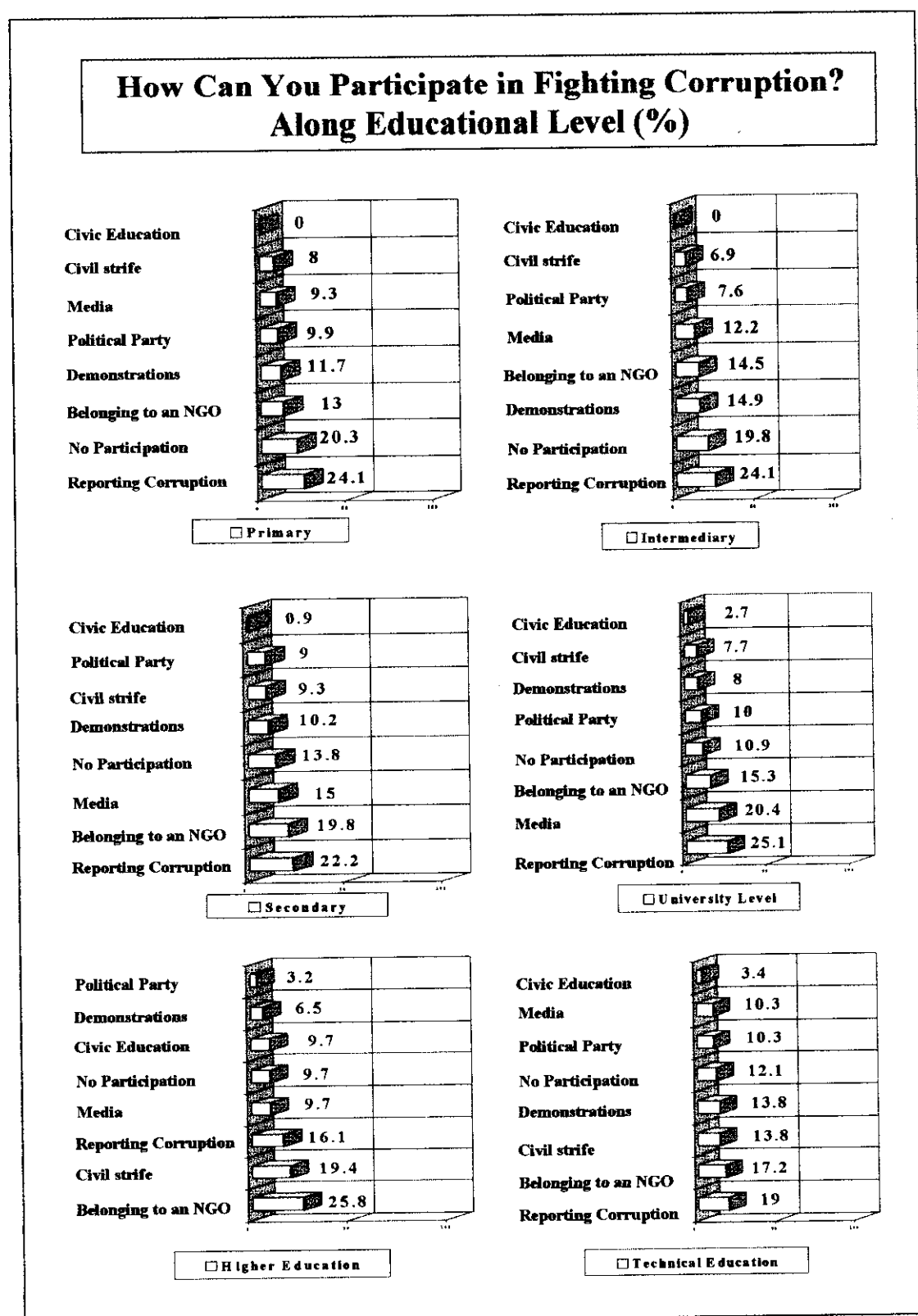


Figure 22



J. Corruption in the Political System

85.8% of the population characterized the political system in Lebanon as highly corrupt (Figure 23). 68.9% accused confessionalism, individualism, authoritarianism, clientelism, favoritism, nepotism and feudalism as being the causes of corruption. The remaining 31.1% attributed corruption in the public sector to intrinsic administrative factors, performance of the political parties, the mentality of the people and external interference (Figure 24-25).

84.7% of the respondents agreed that the trial of corrupt public figures is a right course of action towards curbing corruption. They favored such investigative processes. Nevertheless, they demanded more transparency in such public prosecution. 37.2% of the population considered the trials of former public officials as being carried out in an eclectic manner and 22.2% even judged such trials as being arbitrarily handled.

Figure 23

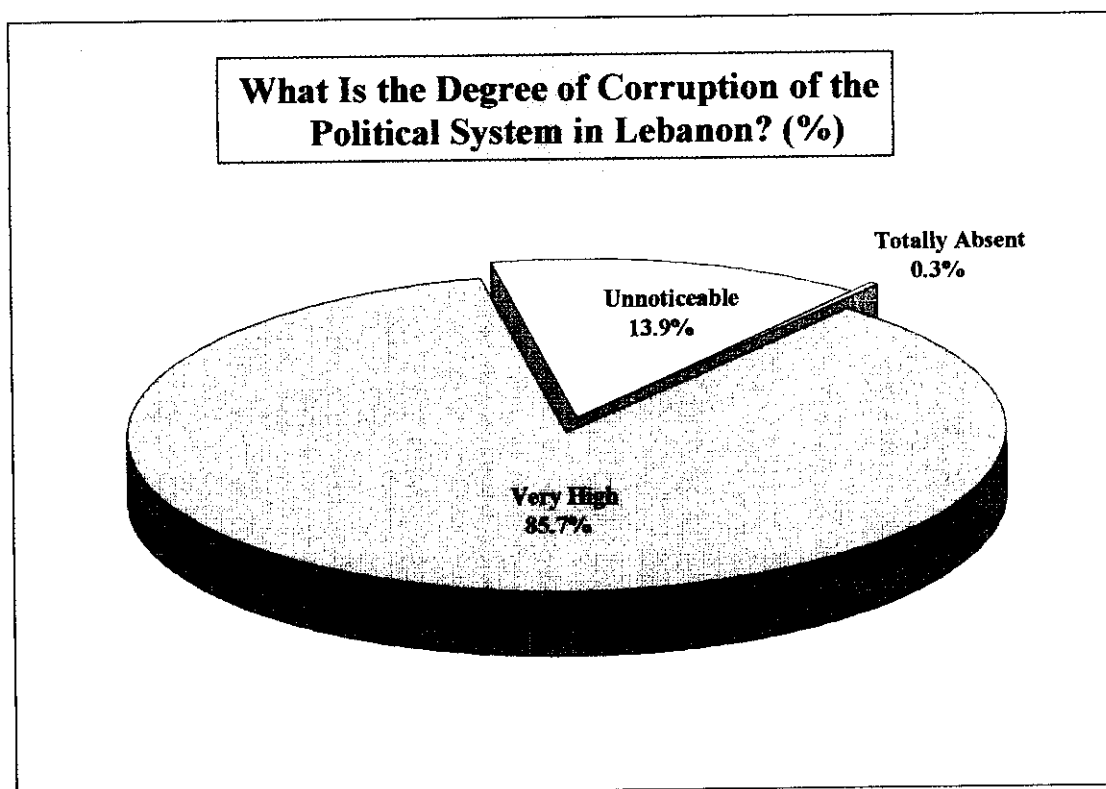


Figure 24

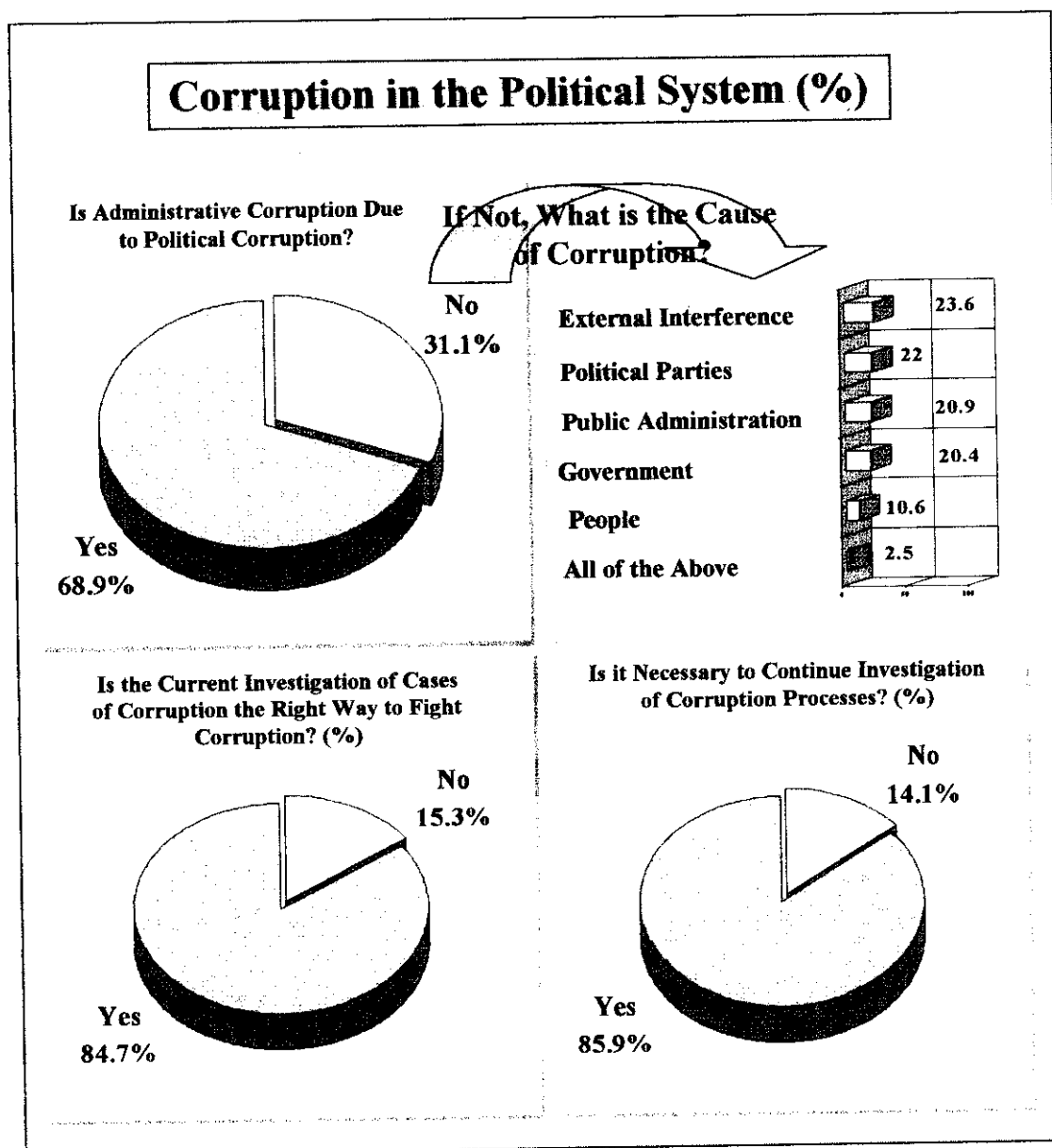
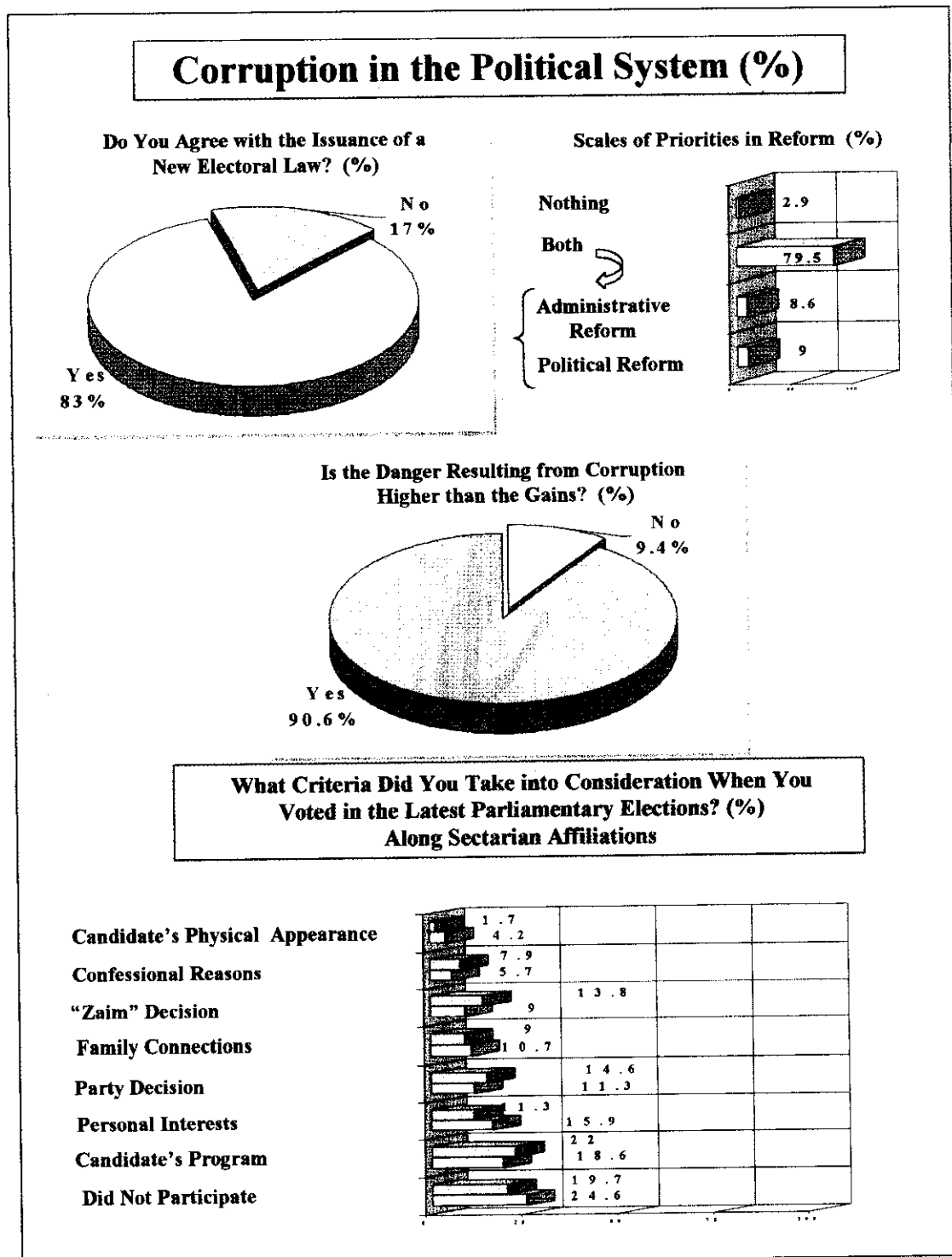
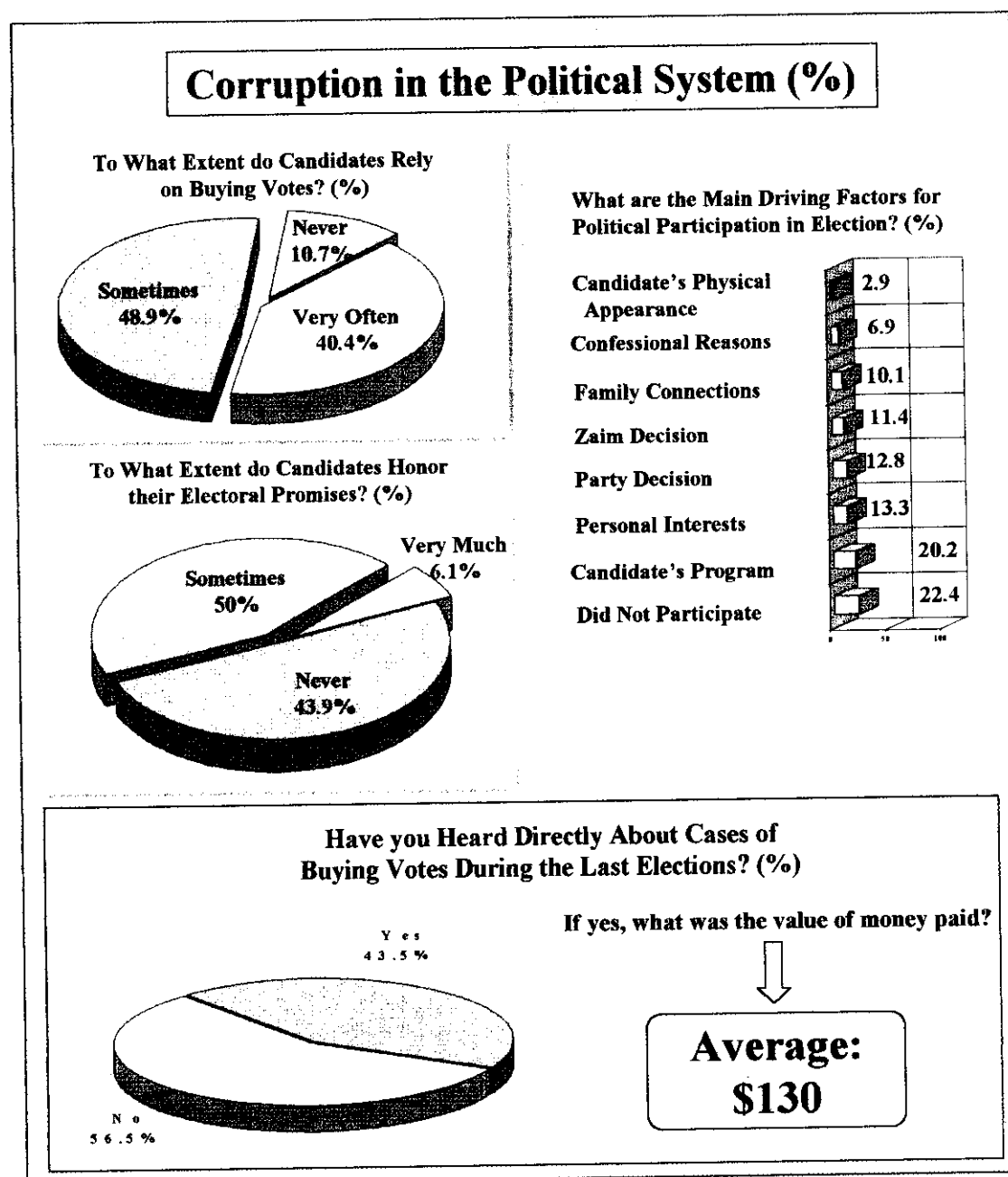


Figure 25



The interesting question of participation in public elections highlighted the prevalence of particularistic interests inside the Lebanese body politic. Only 20.2% voted for consideration of the candidate's electoral program and 12.8% because of party decisions (Figure 26). Personalistic interests, such as material benefit, family connections and confessional affiliations determined the rest of the votes. The fact that 40.4% of the respondents believe that candidates during parliamentary elections resorted to buying votes is a real and dangerous indicator of the prevalence of corruption in the political system (Figure 26). Such negative public perceptions about political life in Lebanon threaten the entire social fabric of democracy and challenge its fundamental premise, namely free and fair elections.

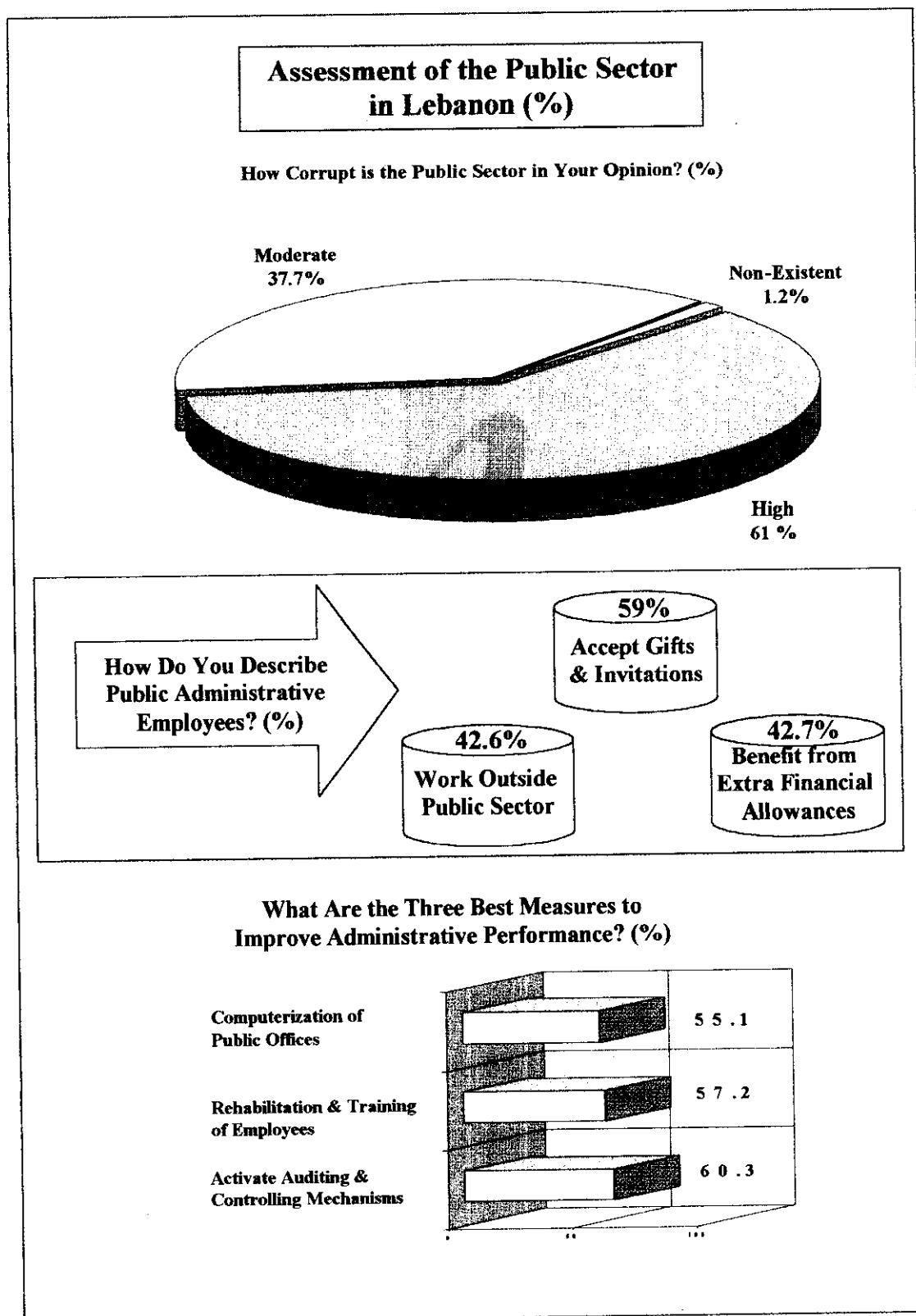
Figure 26



K. Corruption in the Public Administration

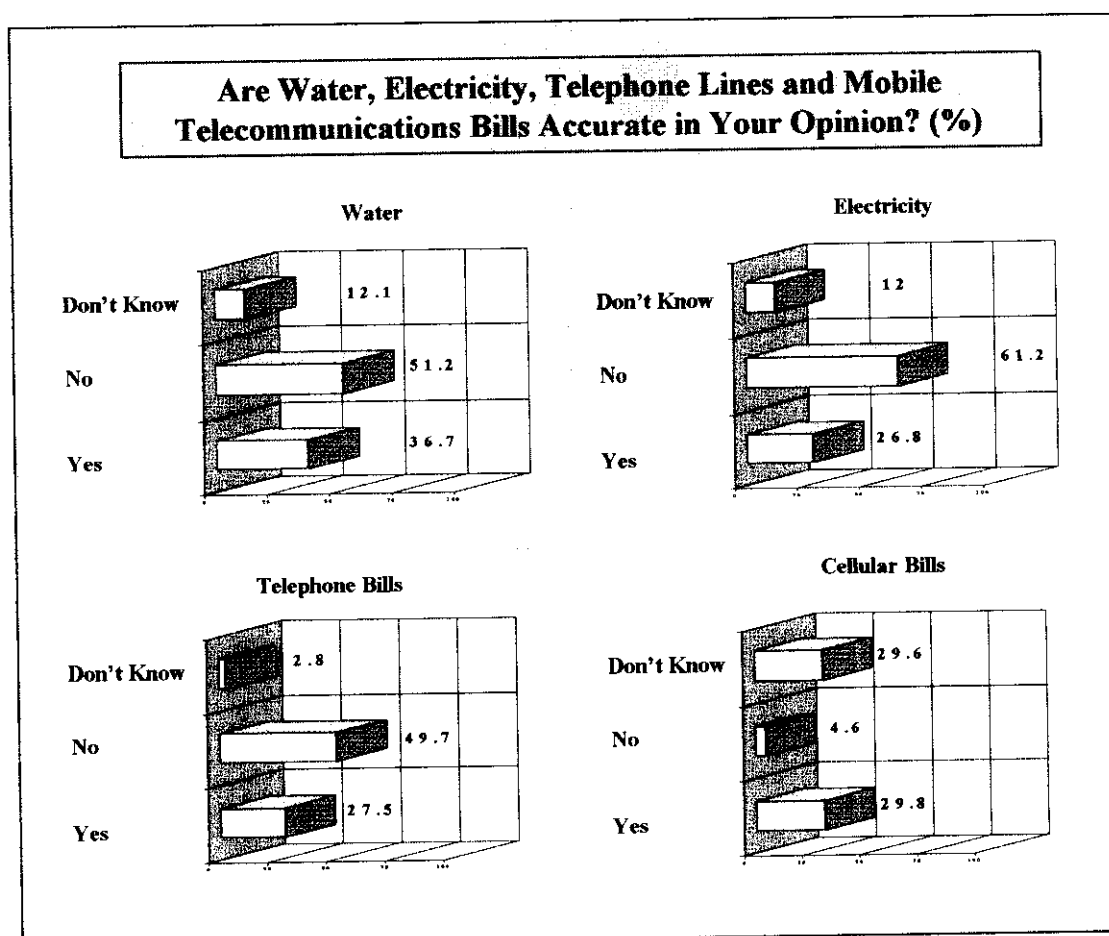
In expressing their opinions on the manifestations of corruption in public administration, 59% of the respondents perceive public employees as ready to accept gifts and invitations; 42.7% believe that they benefit from extra financial allowances and 42.6% think that they also work outside the public sector. These negative perceptions of public service are confirmed in the public utilities sector, where 61% of the respondents believe that the level of corruption in the public utilities is high. 37.7%, on the other hand, think that corruption levels are moderate. Only 1.2% of the population think that corruption does not exist in the public sector; another statistical indicator of the high perception of corruption among public employees in Lebanon (Figure 27).

Figure 27



As indicated in Figure 28, 51.2% of the population showed dissatisfaction with water services. 61.2% estimated electricity bills to be inaccurate due to the following: lack of computerization (20.6%), benefit to the employee from over-estimates (14.6%), benefit to the collectors from such alleged over-estimates (15.3%) and unjust collection mechanisms (19.3%). Add to this, 49.7% of the population who deem telephone bills inaccurate. As a result, the magnitude of public dissatisfaction and distrust of public services can be clearly noticed.

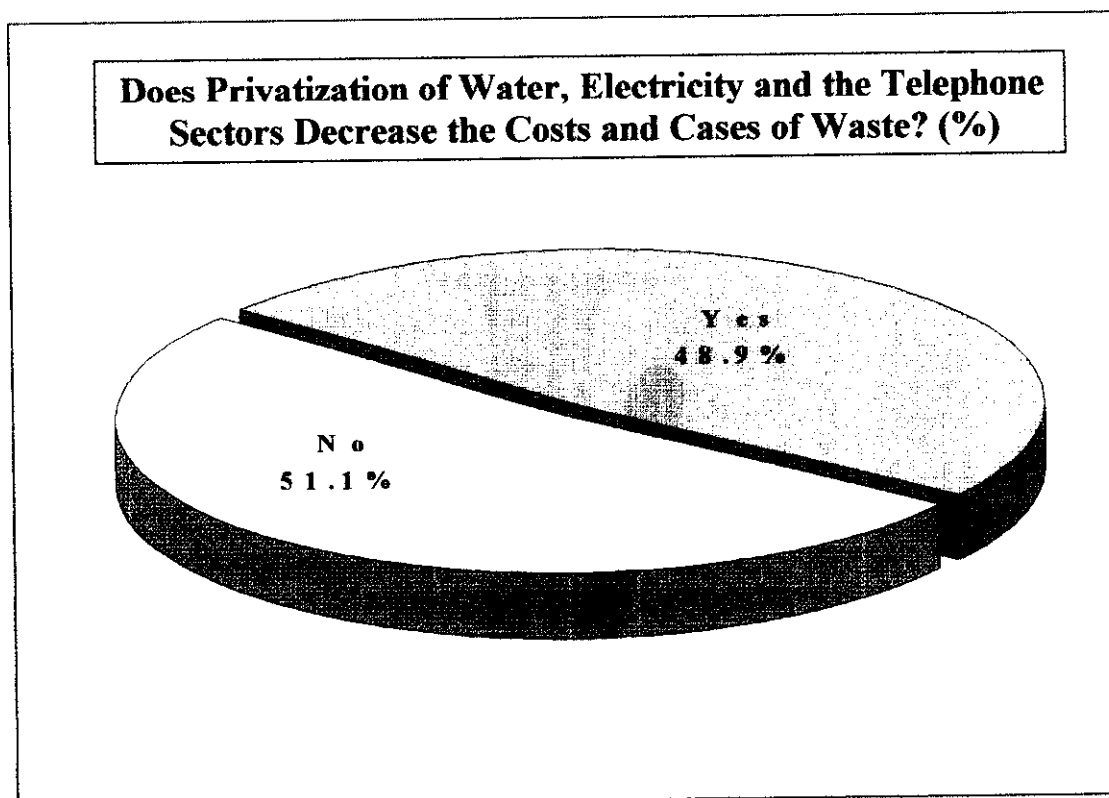
Figure 28



Domiciliation of public services bills was seen as a good idea for 58.5% of the respondents, while 23.9% considered that it would entail a high cost in the long run. Inaccuracy in computing bills and the difficulty in reclaiming funds in case of error were also a common complaint.

48.9% indicated that the privatization of water, electricity and telephone public sectors would decrease the costs and cases of waste. 28.5% indicated that it would entail higher costs, 34.3% that it would lead to monopoly of private companies, 26.2% that it would decrease the treasury revenues and 10.9% that it would result in waste.

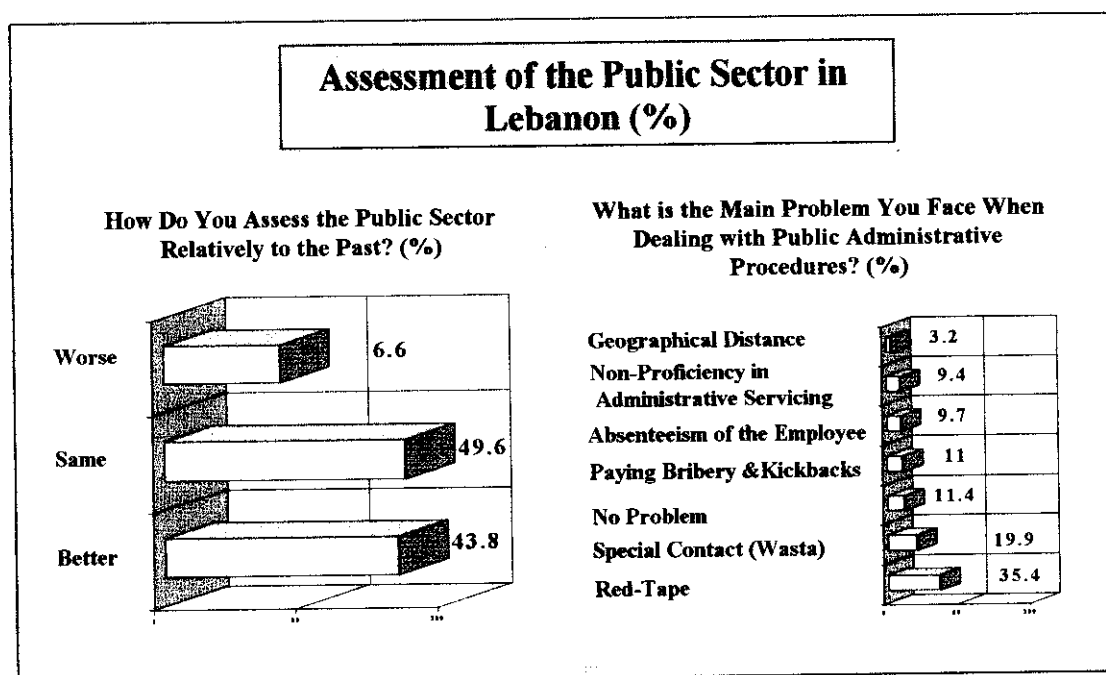
Figure 29



This mixed blessing approach towards privatization persisted when the population was asked whether privatizing the state-owned Television du Liban (TL) and Middle East Airlines (MEA) would decrease waste and increase profit.

The respondents showed reluctance to admit being personally involved in bribing an official to settle an electricity, water or telephone bill. 72.8% of the respondents denied having ever resorted to bribery whatsoever. Had the question been asked otherwise, "Do you think the Lebanese people in general resort to bribery?" we would have received fundamentally different answers. Those answers would have been similar to the responses on compliance habits i.e. when the majority denied breaking traffic, taxation and environmental rules and regulations, all the while accusing the Lebanese people in general of such illegal actions.

Figure 30



In the realm of getting official documents and finishing administrative procedures, 60.5% of the population believe that there is a very high level of corruption and 37.8% a moderate one in the public administration.

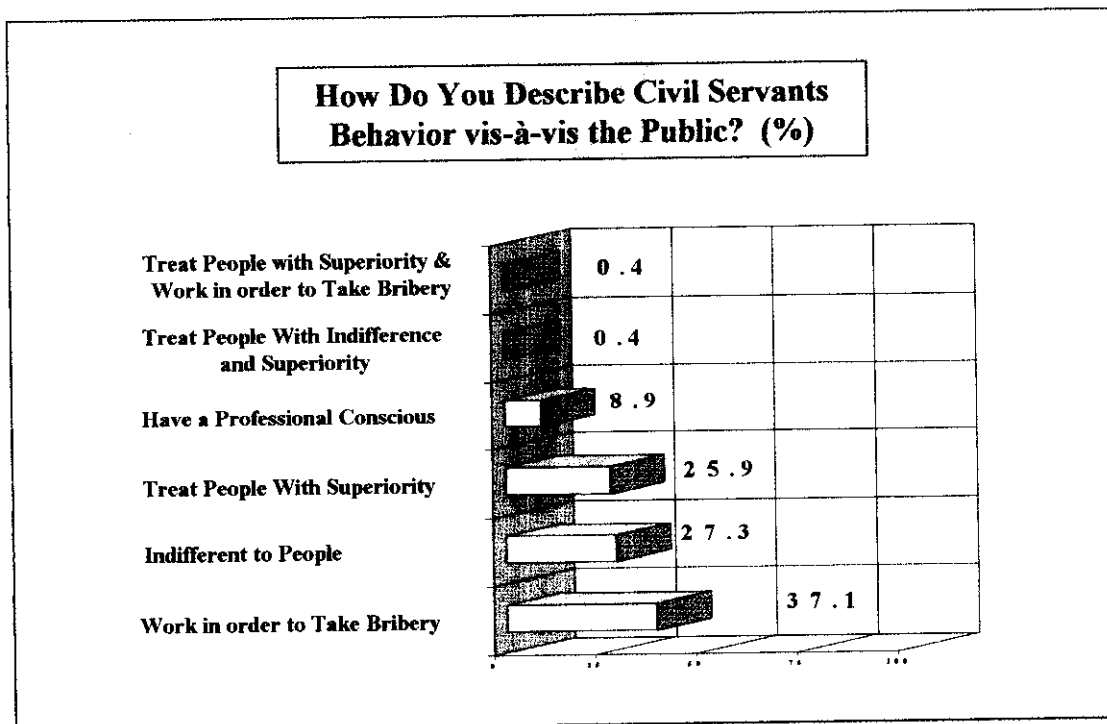
Such a public recognition of the prevalence of corrupt practices contradicts with the reluctance of the population from admitting indulgence in corruption. There is a more positive perception of the performance of public administrators at present compared to the past: 43.8% of the respondents think that there is an improvement in the execution of public procedures.

The problems identified by the population related to executing a public formality or going through an administrative procedure included delays, absences, nepotism, paying bribes and kickbacks and geographical remoteness. This indicates that there should be more emphasis in Lebanon on the managerial role of public administration as opposed to its political or legalistic roles.

The Lebanese population in general over-estimates the salaries of public employees. In their perception, public officials are well remunerated. Therefore, there should be no financial imperative or economic need for indulgence in corruption. This over-estimation of public salaries is contradicted by factual evidence. There should be optimization in performance of administrative procedures, efficiency in public service, effectiveness in the allocation of funds and time and better productivity, as well as higher remuneration.

The population perceived the behavior of public officials towards people as negative, indifferent, corrupt and arrogant. Only 8.9% of the respondents stated that the public official in Lebanon has a professional conscience. A disturbing 37.1% perceived the public employee as someone mainly concerned about money and profit. 27.3% characterized him/her as indifferent to people's concerns and 25.9% accused the public official of arrogance, treating people with a sense of superiority. The concept of civil service and the loyalty of the civil servant to public service are alien to the Lebanese thinking.

Figure 31



L. The Judicial System

34% of the Lebanese population think that the judiciary is highly corrupt and 47.9% moderately corrupt. This negative perception of the role of the judiciary is detrimental to public morale. (Figure 32).

It is not enough that 21.8% of the population feel that the judiciary is certainly independent and 46.5% partially independent. 31.7% believe that the judicial system is not independent from political interference.

Although deemed corrupt by 81.9% of the population, the judiciary was, nevertheless, considered by 73.1% as the right institution for the curbing of corruption. This is an indication that the Lebanese people still regard the judiciary as a safety valve against corruption, although for 64.2% of them, it is subjected to dependence on the executive branch of government and for 29.1%, of them, to external pressures.

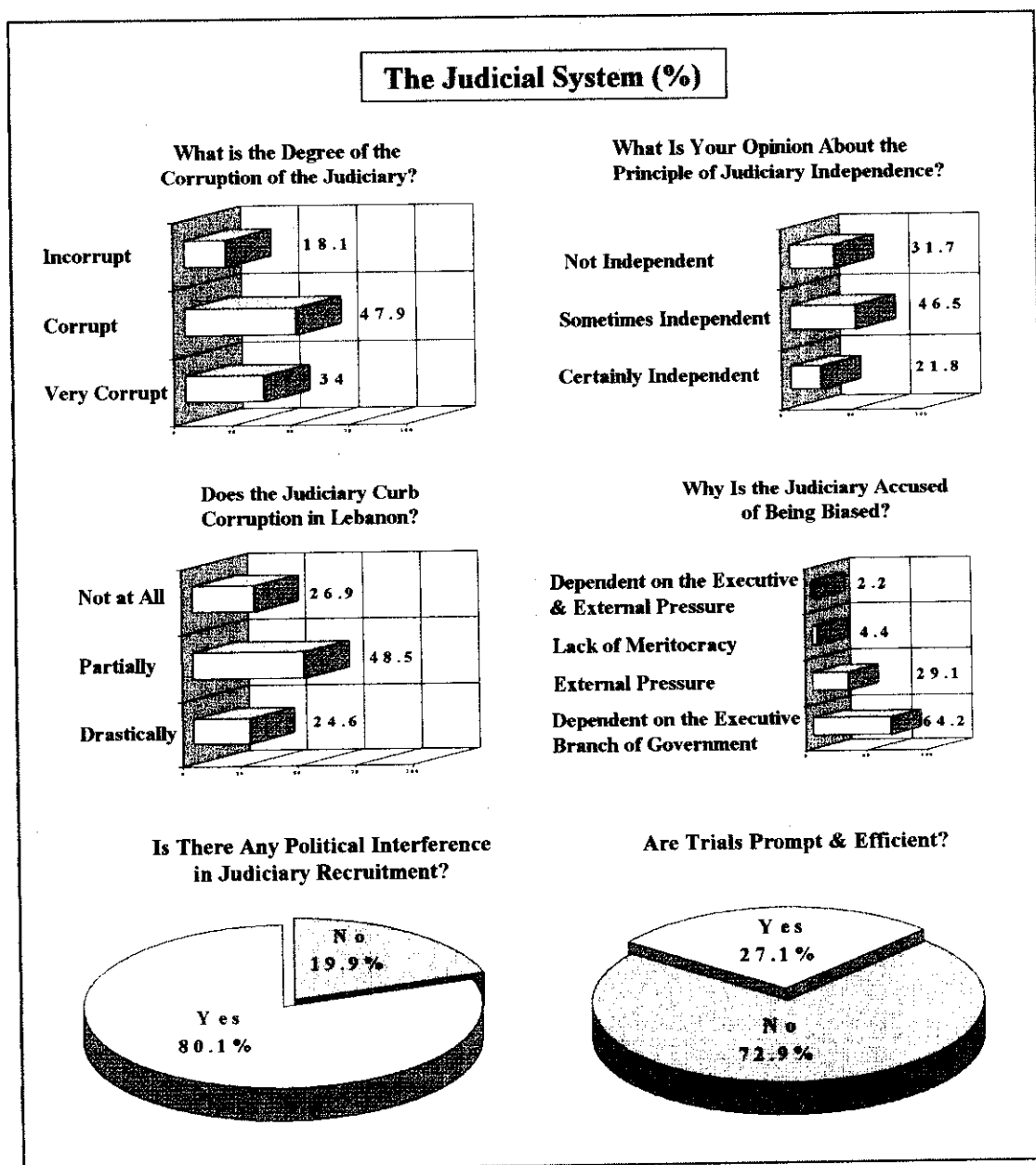
The popular misperception about the salaries of public employees and decision-makers also persisted in this section, as 73.4% of the population regarded the judicial salaries as commensurate with their public responsibilities. This is denied by the fact that the judicial remunerative system lags behind judge actual and expected responsibilities and duties.

67% of the population believe that the suspect in Lebanon is considered guilty until proven innocent and not vice-versa, which shows that human freedom and public liberties also needs to be more respected.

Anti-corruption fights require the activation of supervisory bodies with power to investigate corruption, the implementation of anti-corruption laws and the adoption of anti-corruption legislation. They also require a study of legal and administrative remedies to determine whether they provide adequate deterrents or not. The role of the judiciary in all legalistic procedures must be instrumental for the success of anti-corruption campaigns.

An expeditious and professional judicial system is imperative for the curbing of corrupt practices. The judiciary, by vocation and by training, should be the guardian of public good. The public opinion should support the judiciary in its constructive endeavor to make corruption a high-risk, low-profit enterprise. In short, people need to have more confidence in the judiciary.

Figure 32



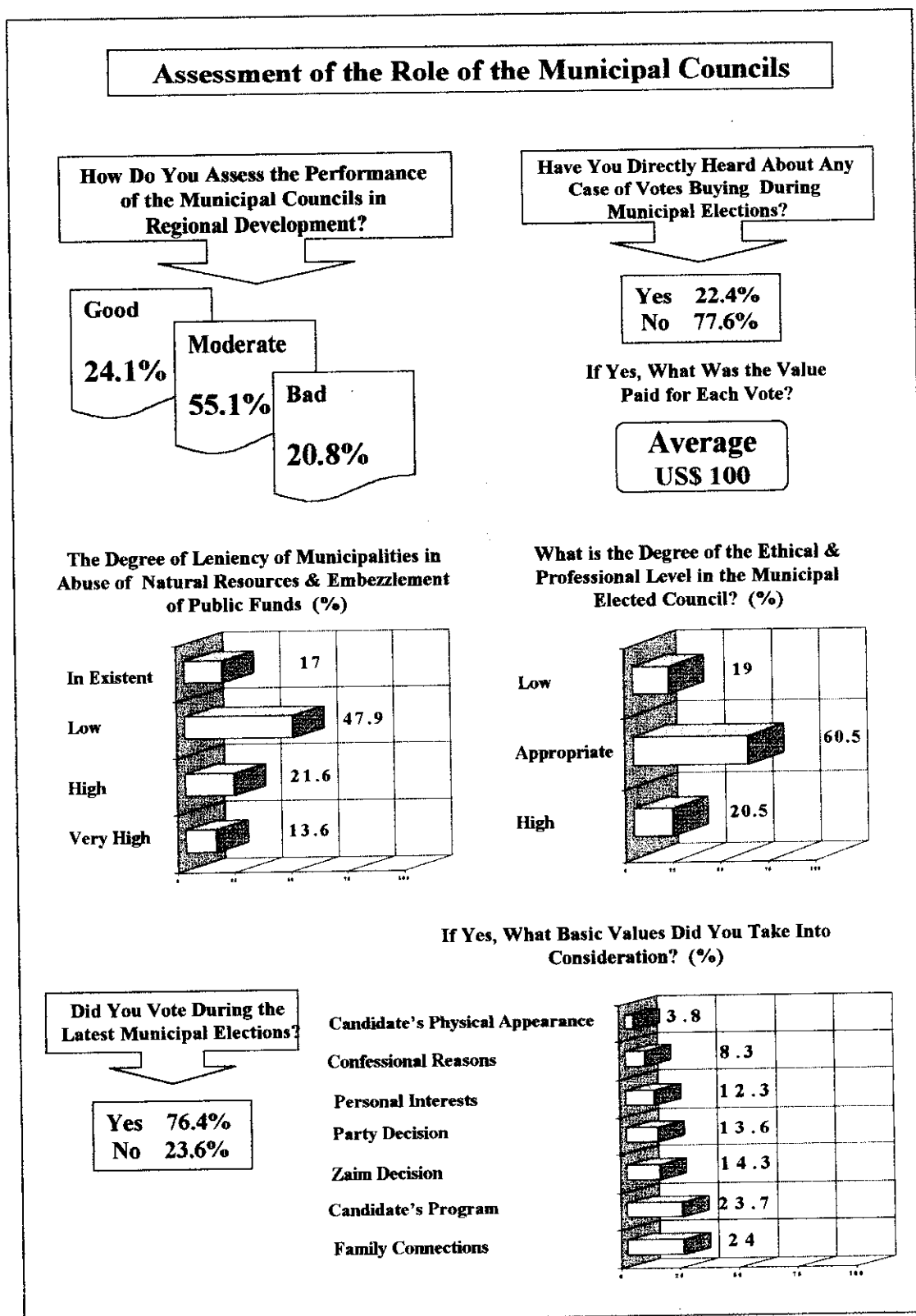
M. Municipalities

There is a positive perception in Lebanon of the role of the newly elected municipal councils in regional development. 79.2% think favorably of the performance of such councils in improving the quality of services in various regions (Figure 33).

81% of the population think positively of the professional and ethical qualities of the members of the municipal councils. However, 21.3% admitted having resorted to individualistic considerations and 24% to family connections while voting in the municipal elections. 23.7%, on the other hand, relied on the candidate's program. The remaining 31% of the respondents stated that they relied on the zaim's and party decisions as well as candidate's physical appearance.

Such a positive perception of the role of municipalities in the development of public services throughout Lebanon is a sign of optimism regarding the spread of democratic values inside the Lebanese body politic. Administrative decentralization can assist in spreading administrative services throughout the country. In the same way, municipalities are gradually becoming more successful in improving the performance of public utilities and services.

Figure 33



N. Media and Corruption

While recognizing the instrumental role of the media as the fourth branch of government in terms of encouraging accountability and transparency, people are split in assessing the freedom of press from political interference. Figures 34 to 36 on Media and Corruption provide statistical details on the influence of press and media on public perception regarding corruption.

Figure 34

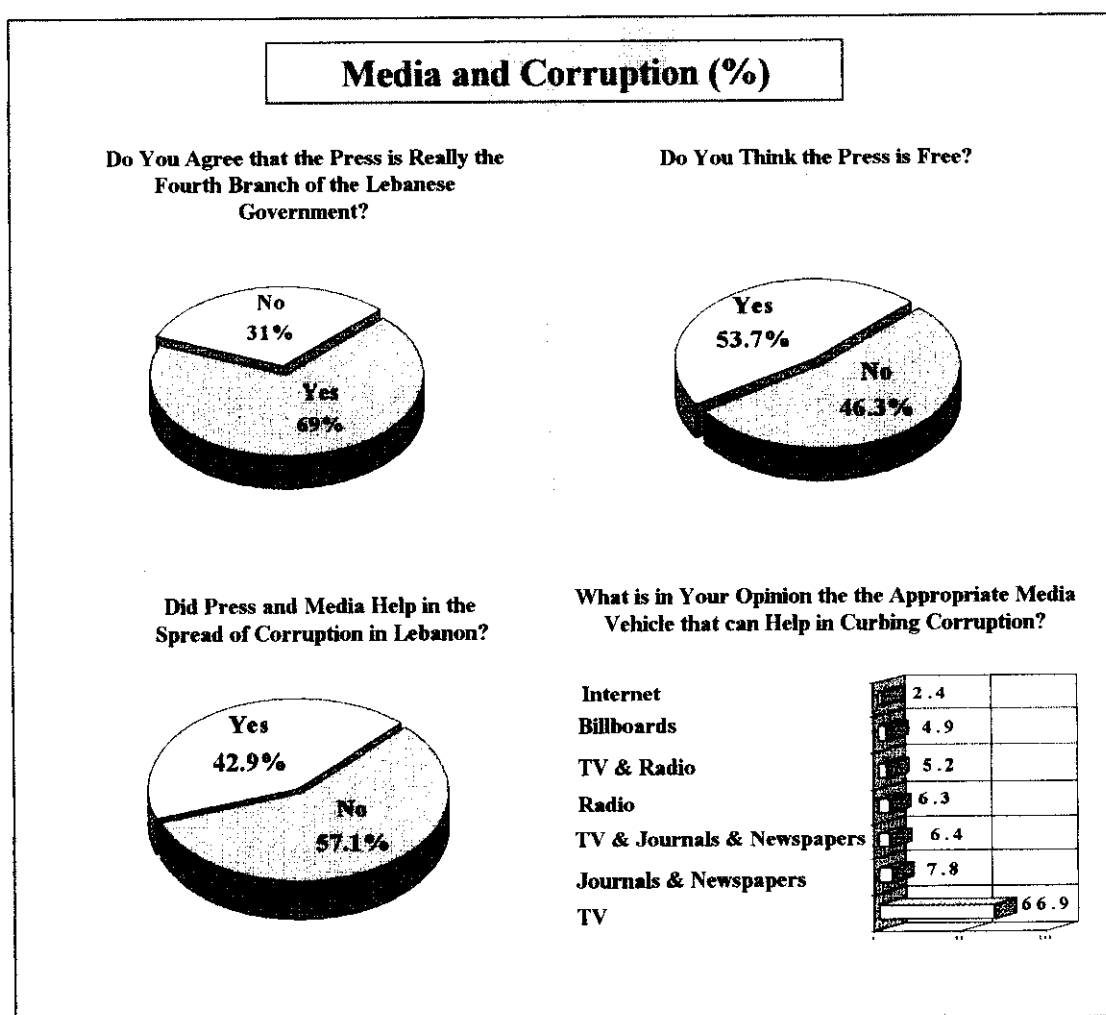


Figure 35

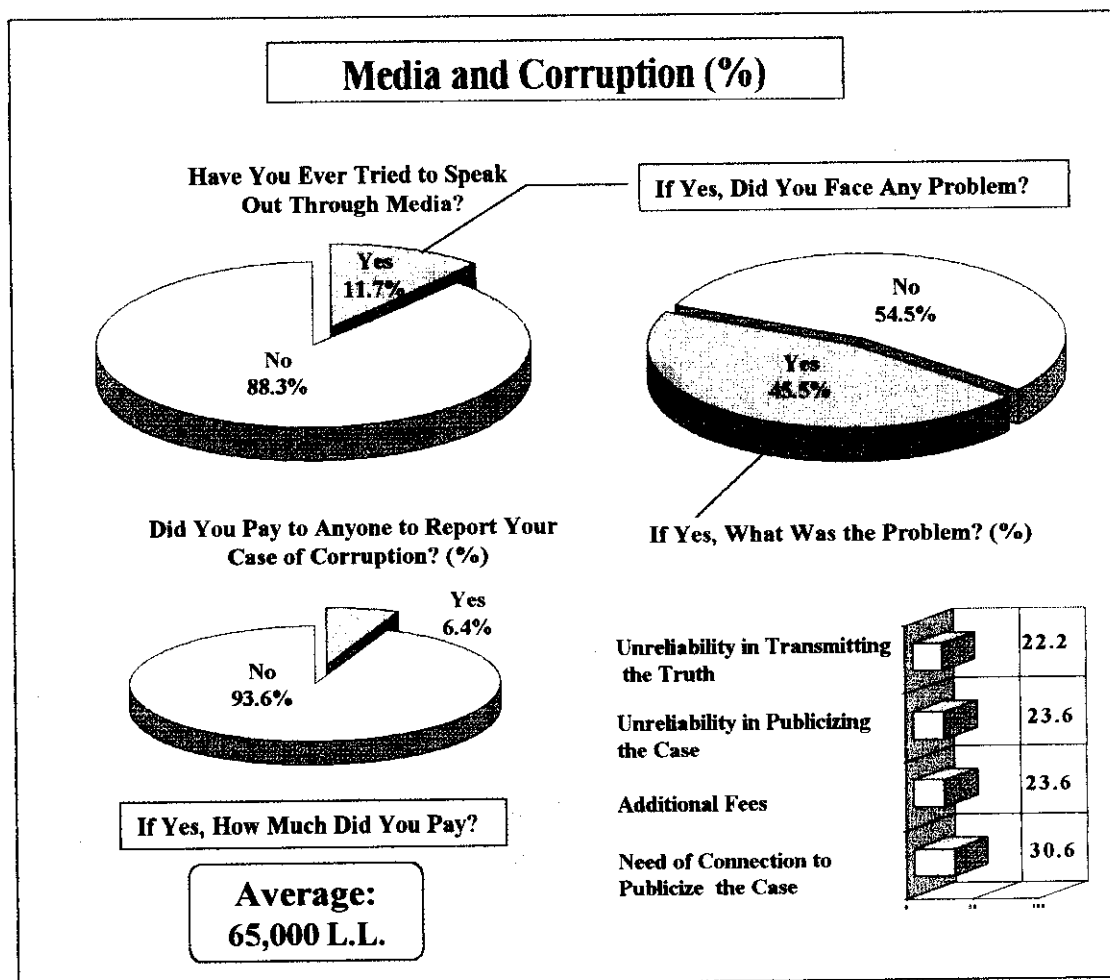
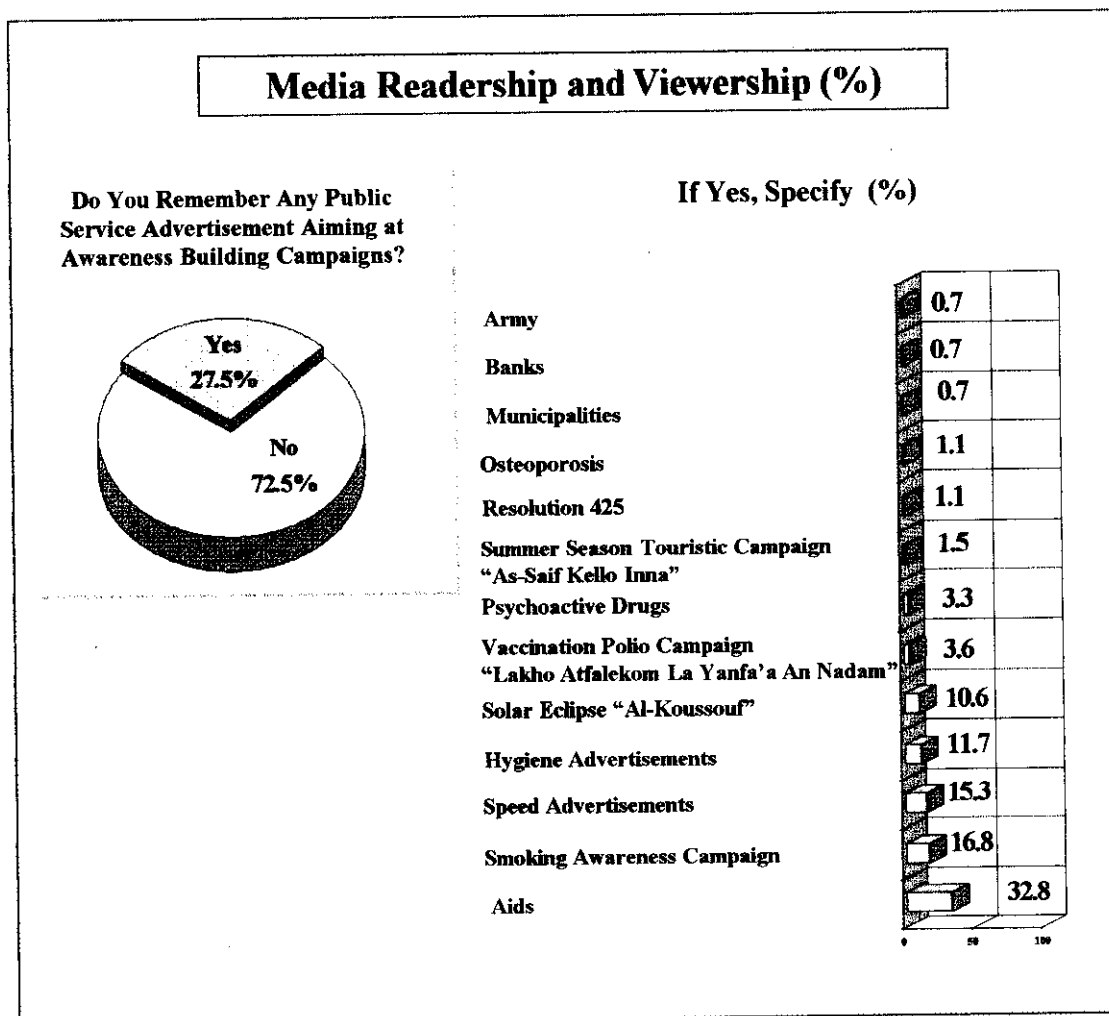


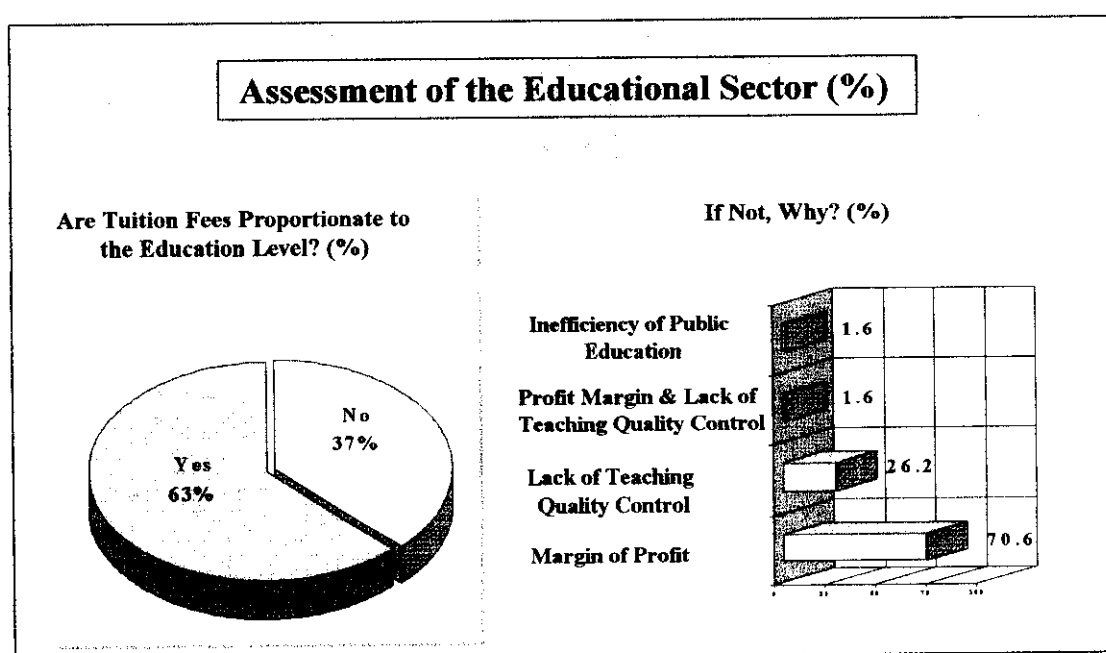
Figure 36



O. The Educational Sector

The population showed a positive perception of the role that the educational sector in Lebanon plays in providing quality education and appropriate standards of learning. 62.6% deemed tuition fees proportionate to the educational level provided. The remaining 37.4% estimated that a host of factors such as the high profit margin that schools get, the lack of teaching quality control and inefficiency of public education, accounted for their negative perception about the educational level in Lebanon (Figure 37).

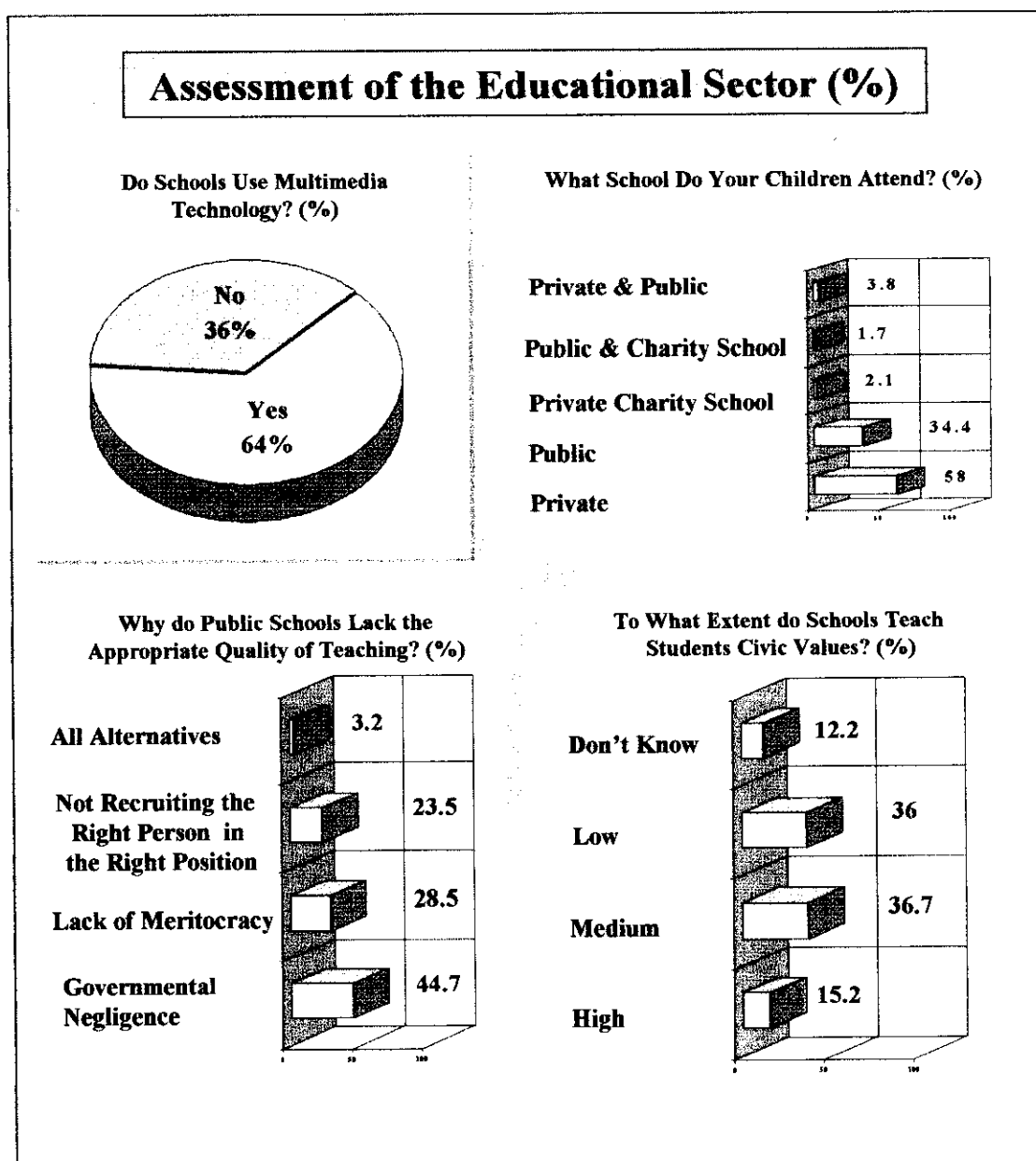
Figure 37



64% of the respondents reported that schools in Lebanon use multimedia technology, audio-visual educational techniques and computers (Figure 38). This is a positive indicator of the comparative advantages and added value of the Lebanese educational system. 58% of the respondents send their students to private schools, while 34.4% send them to public schools.

Public education, however, lags behind private education. The population attributed this lag to many factors. 23.5% attributed it to the non-recruitment of the right person in the right position, 44.7% to public or governmental negligence and 28.5% to the non-application of meritocracy. Other problems are related to the inefficiency of acceptance, evaluation and promotion of students in both the public and private universities (Figure 38). 51.9% of the respondents shared a positive perception about the role of schools and institutions of higher learning in teaching values and professional ethics. Only 26.4% declared having faced an unfair treatment with their respective school or university administrations. 73.6% deemed the educational institutions in Lebanon as giving a fair treatment to their constituencies.

Figure 38



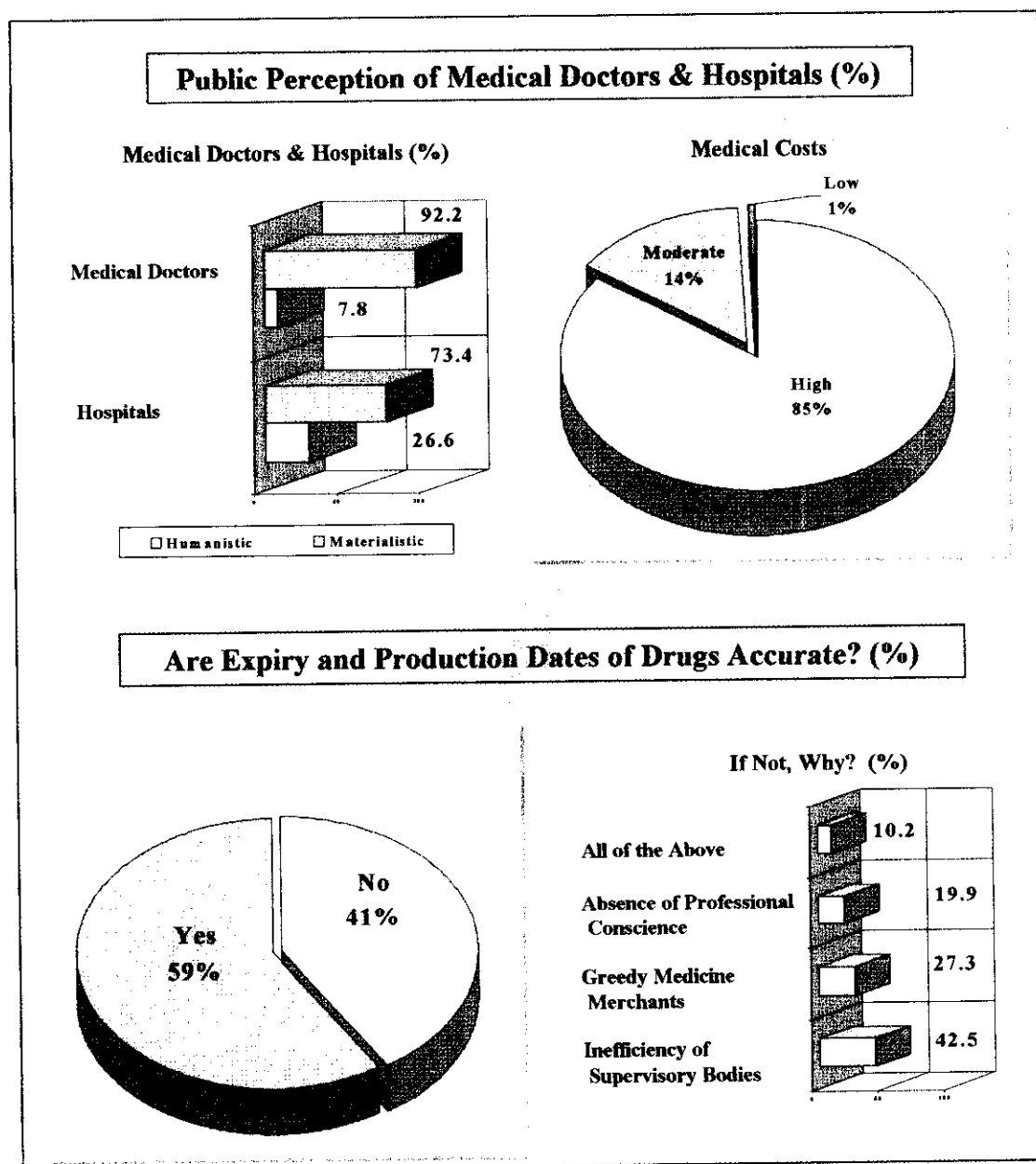
P. The Health and Medical Sector

People have a negative perception of the role of physicians. 73.4% perceive the medical profession as materialistic, as opposed to 26.6% who look at it as humanistic (Figure 39). The ideal image of the physician who is morally motivated and is there to alleviate the sufferings of his patients is quite weak in the public mind. The high cost of medical treatment, hospitalization and health services, compared to quality, is one of the major problems facing this vital sector.

When asked whether drugs expiry and production dates are accurate, 59% of the population responded negatively. 42.5% blamed it on the inefficiency of supervisory bodies, 27.3% on the greediness of medicine merchants and 19.9% on the absence of professional conscience. The remaining 10.2% enumerated all of the above mentioned reasons (Figure 39).

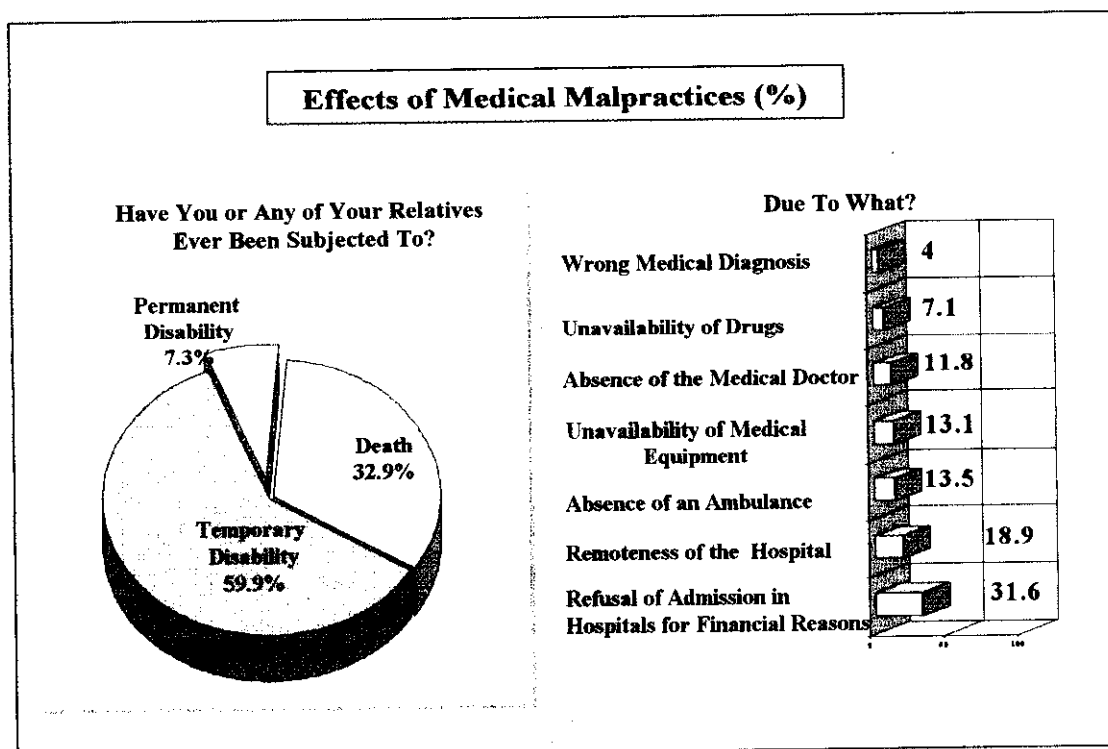
The performance of the Lebanese government, represented by the Ministry of Health, is rated by 59.9% of the population as being bad, nepotistic and slow. The 25.5% of the respondents who admitted having resorted to nepotism in order to get free medicine or health care from the Ministry of Health, stated that they solicited the intervention of a political figure or a religious authority to facilitate their access to the medicine or care.

Figure 39



59.9% of the respondents said that they or a relative was subjected to a medical mistake that led to a temporary disability and 32.9% to death. The reasons were different: 31.6% due to refusal of admission to the hospital for financial reasons, 18.9% to the remoteness of the hospital, 13.5% to the absence of an ambulance and 11.8% to the absence of a medical doctor (Figure 40).

Figure 40

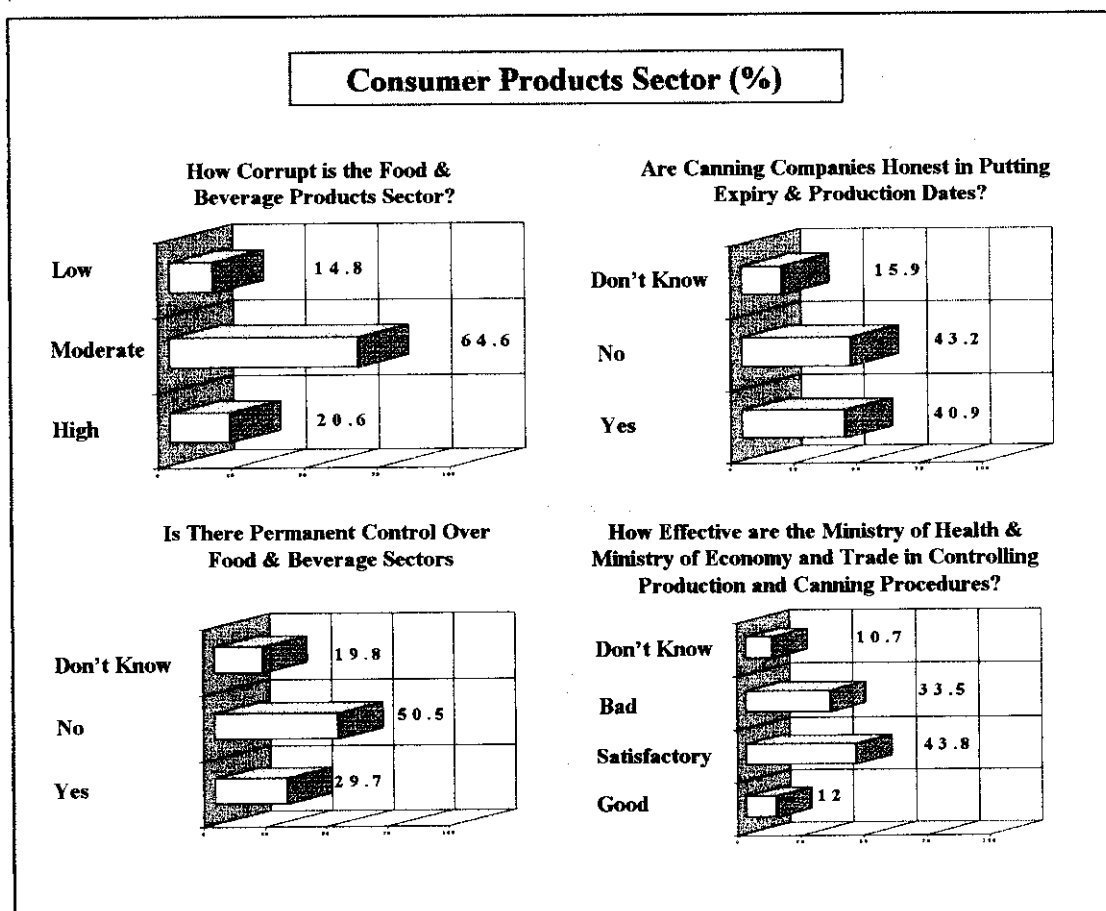


Q. The Consumer Products Sector

85.2% of the population describe the Lebanese food and beverage products sector as corrupt. 43.2% believe that canning companies are not honest in specifying expiration and production dates on their products, and another 40.6% think that the labels on the packages of consumers goods do not accurately clarify the content of the product. 50.5% do not believe that there is a continuous process of quality control. Around 20% of the respondents showed lack of information on the topic, indicating a high level of consumer apathy or lack of awareness about the products they are using or consuming (Figure 41). One result of such public apathy was that 18.1% of the respondents, curiously corresponding with the 19.8% that lacked awareness about consumer goods, faced a health problem resulting from the consumption of inedible food. That necessitated 39% of those who faced a health problem to seek hospitalization.

Clearly, there is a necessity for better inspection mechanisms on consumer goods in order to protect citizens and insulate them from potential health hazards.

Figure 41

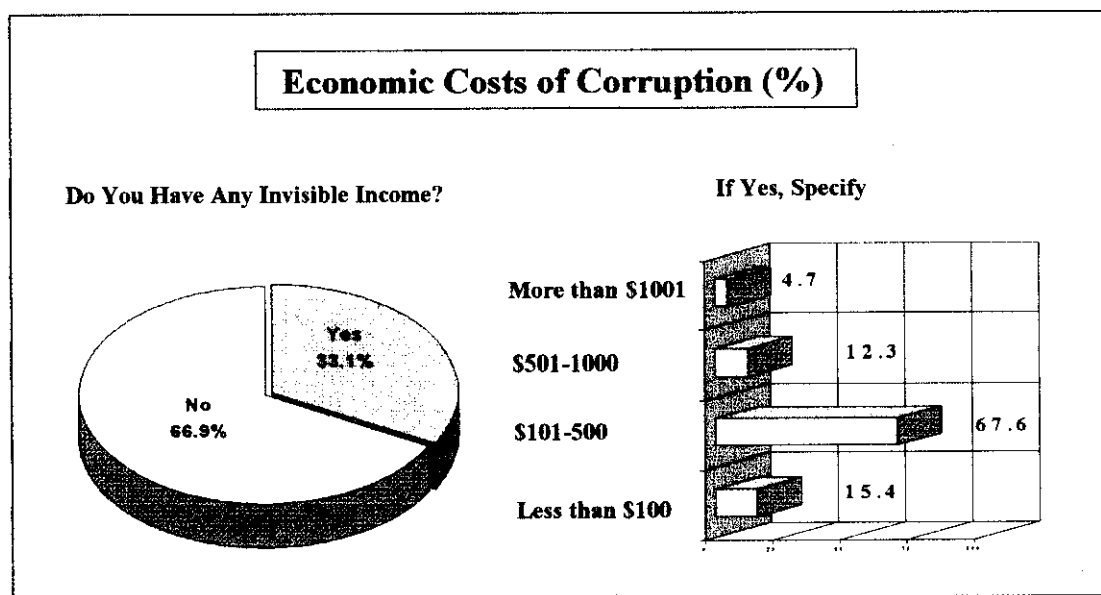


R. Economic Cost of Corruption

1. Invisible Income and Budget Deficit

33.1% of the population admit having an invisible income and 67.6% specify that it is within the range of 101 to 500 US Dollars monthly. 12.3% state that it falls within the category of 501 to 1000 US Dollars (Figure 42).

Figure 42

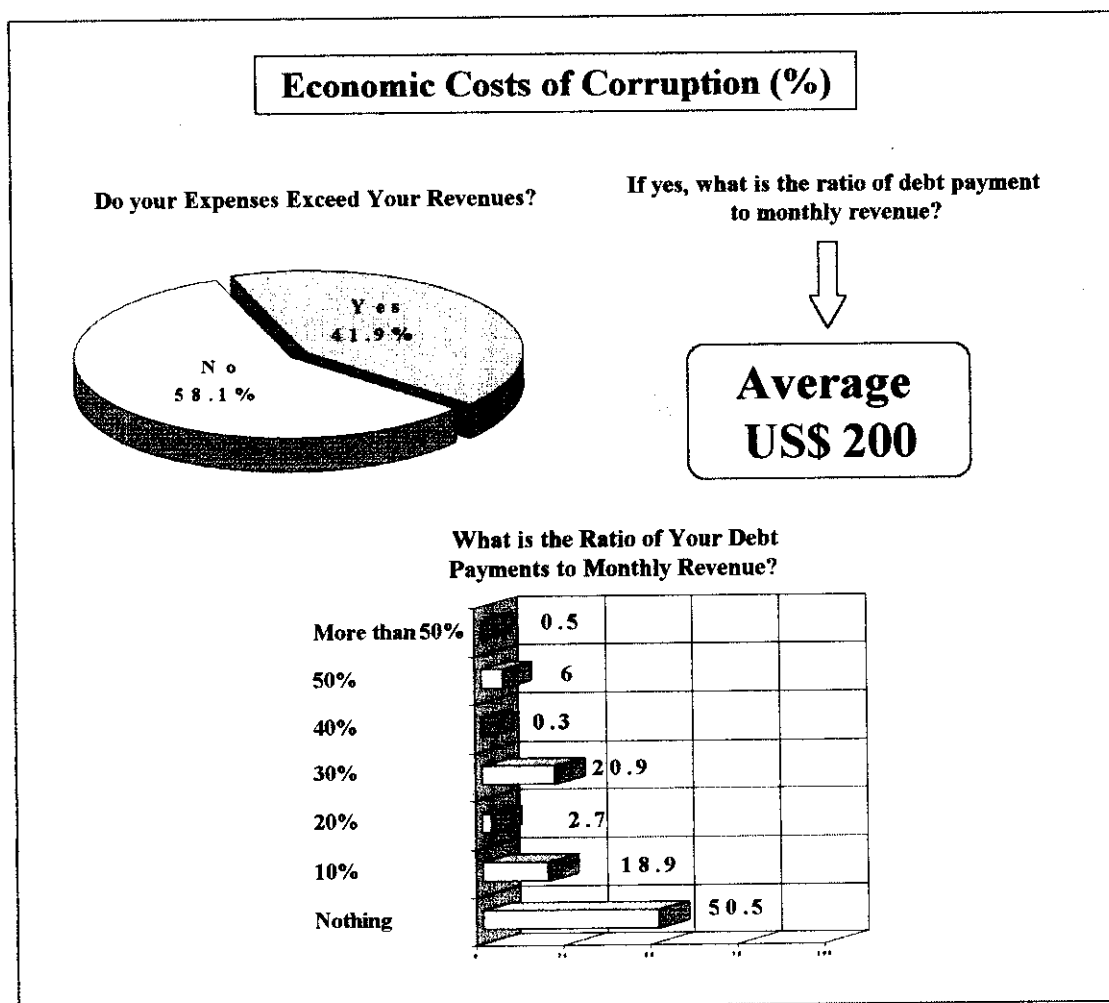


The source of this invisible income is highly likely to be indulgence in corrupt practices, such as bribery, fraud, discrimination, unfairness, acceptance of gifts, extortion and traffic in influence. We must take into consideration that 29% of those who did not admit having an invisible income belong to an age group between 15 and 24 years of age and 8.8% of them above the age of 65. The first group (29% of the respondents) not yet ripe for the habituation process of corruption i.e. not yet conducive to the proliferation of corrupt acts and the second group (8.8% of the respondents) have reached the retirement age.

The high reliance on sources of invisible income can be justified by the statistical fact that 42% of the population stated that their expenses exceeded their revenues. The logical consequence of such a financial deficit is either indebtedness or reliance on invisible sources of income.

Figure 43 shows that 18.9% of the population pay an average of 10% of their monthly revenues as debt payments and 20.9% pay 30%. This personal indebtedness can also be a catalyst for indulgence in corruption. A person who spends much more than he/she earns is expected to stoically exercise self-discipline, tighten the belt and apply austerity measures in order to prevent a budgetary deficit. The Lebanese stereotyped character, however, does not resort to such sober tactics or behavioral approach. On the contrary, it tries to finance the deficit by further indebtedness, which is definitely an unhealthy economic practice.

Figure 43



2. Reasons for Monthly Financial Deficit

The majority of the population attributed the reasons for their quasi-chronic financial deficit to low salaries and remuneration, thus confirming once more the strong correlation between low wages and a host of problems related to criminal behavior and corrupt practices. An overwhelming majority of 91% agreed that economic recession causes financial deficit by conducting to unemployment, disguised unemployment, over-employment and redundancy. Another 97.2% stated openly that they suffered from the high living expenses, while only 26.4% of the population attributed their financial deficit to their indulgence in ostentatious consumption. The lack of medical and social insurance was for 74.4% of the population among the causes of their monthly financial deficit. Unemployment was for 48.3% as a cause of financial deficit indicating that, although the official figure according to the Ministry of Social Affairs for unemployment is 10%, some people might be enduring disguised unemployment (Figures 44 and 45).

Figure 44

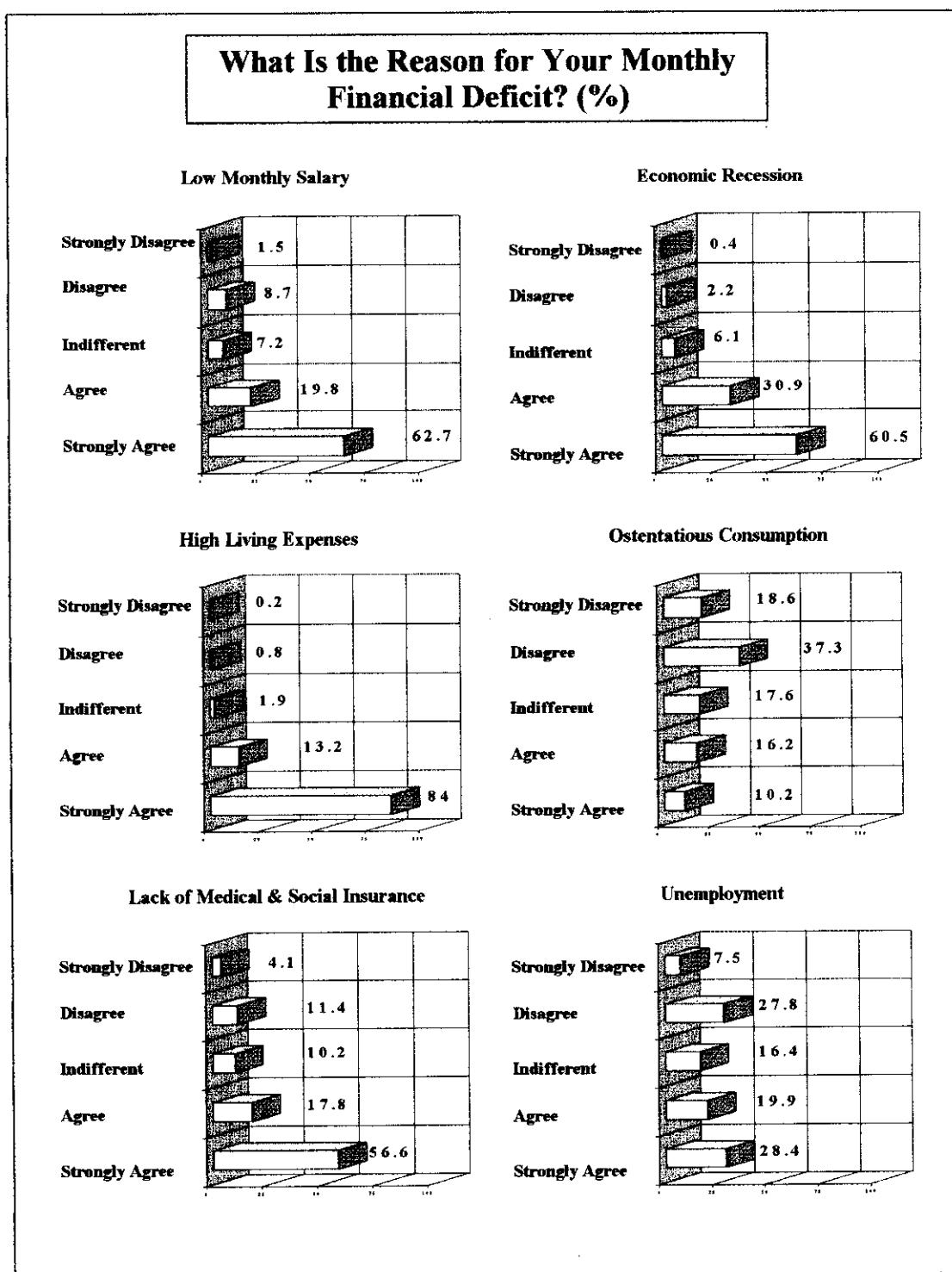
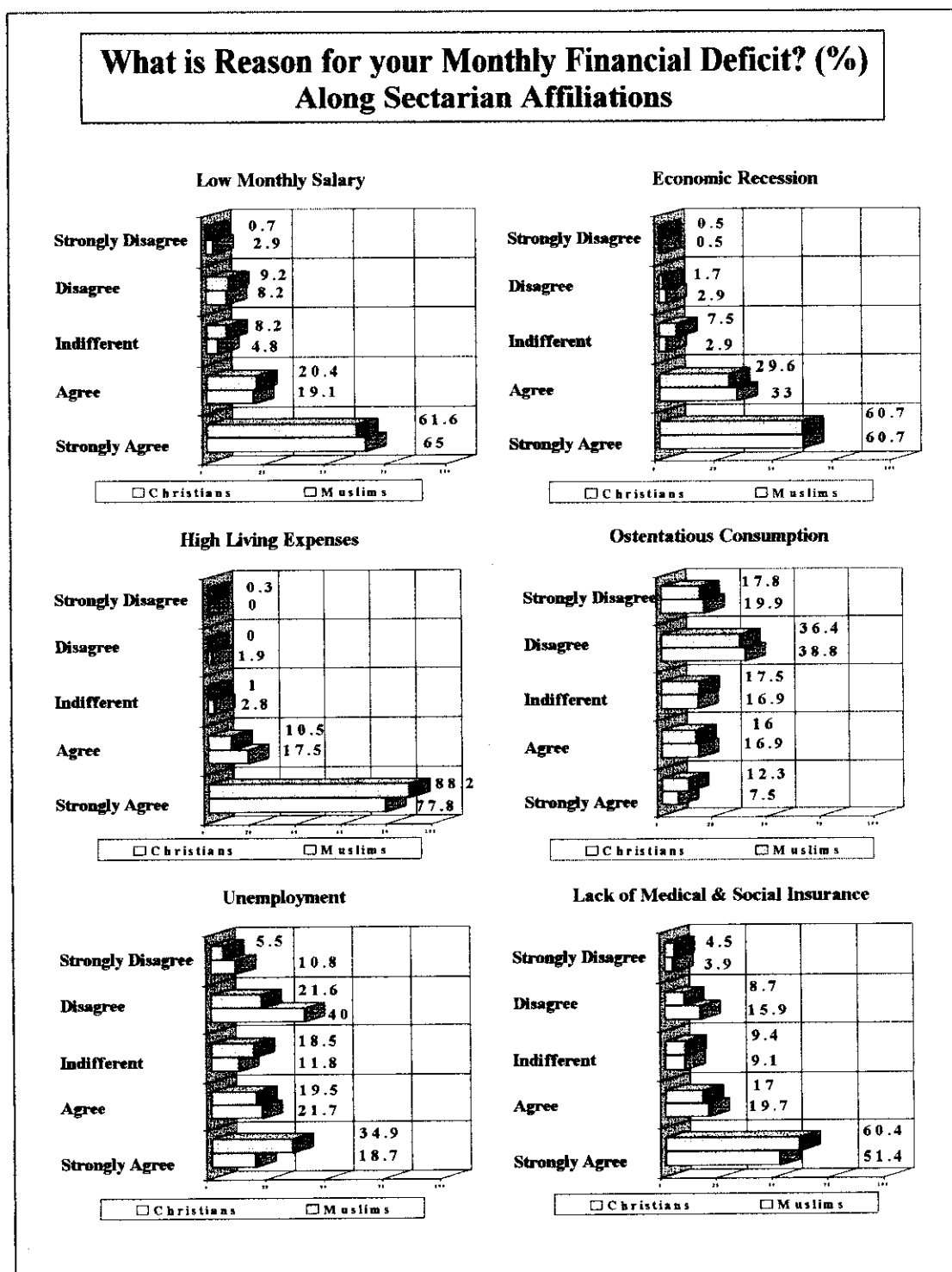


Figure 45

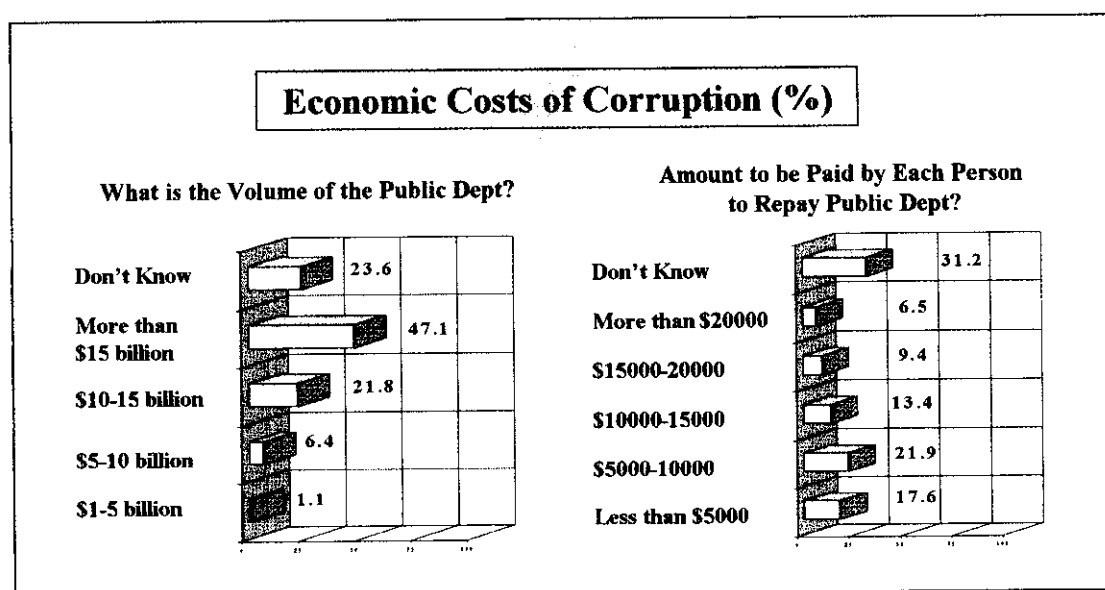


3. Volume of National Debt

47.1% of the population figured out correctly that the volume of public debt in Lebanon exceeds 15 billion US Dollars. 23.6% stated that they ignored the volume of public debt and thus failed to provide any estimate (Figure 46).

When people realize the financial burdens that the Lebanese government is facing they will be more willing pay their taxes regularly and contribute to the public good. Lack of awareness leads to moral insensitivity and apathy. Honoring one's financial obligations to the state treasury is regarded as an economic imperative and as a moral duty. Habits of complying by financial rules and regulations become more ingrained or accepted by the citizens. They need to know that each citizen would be obliged to pay from 5 thousand to 10 thousand US Dollars if the government decides immediately to repay its public debt. That constitutes a formidable burden on the individual citizen, due to the high ratio of public debt to Gross Domestic Product (GDP).

Figure 46



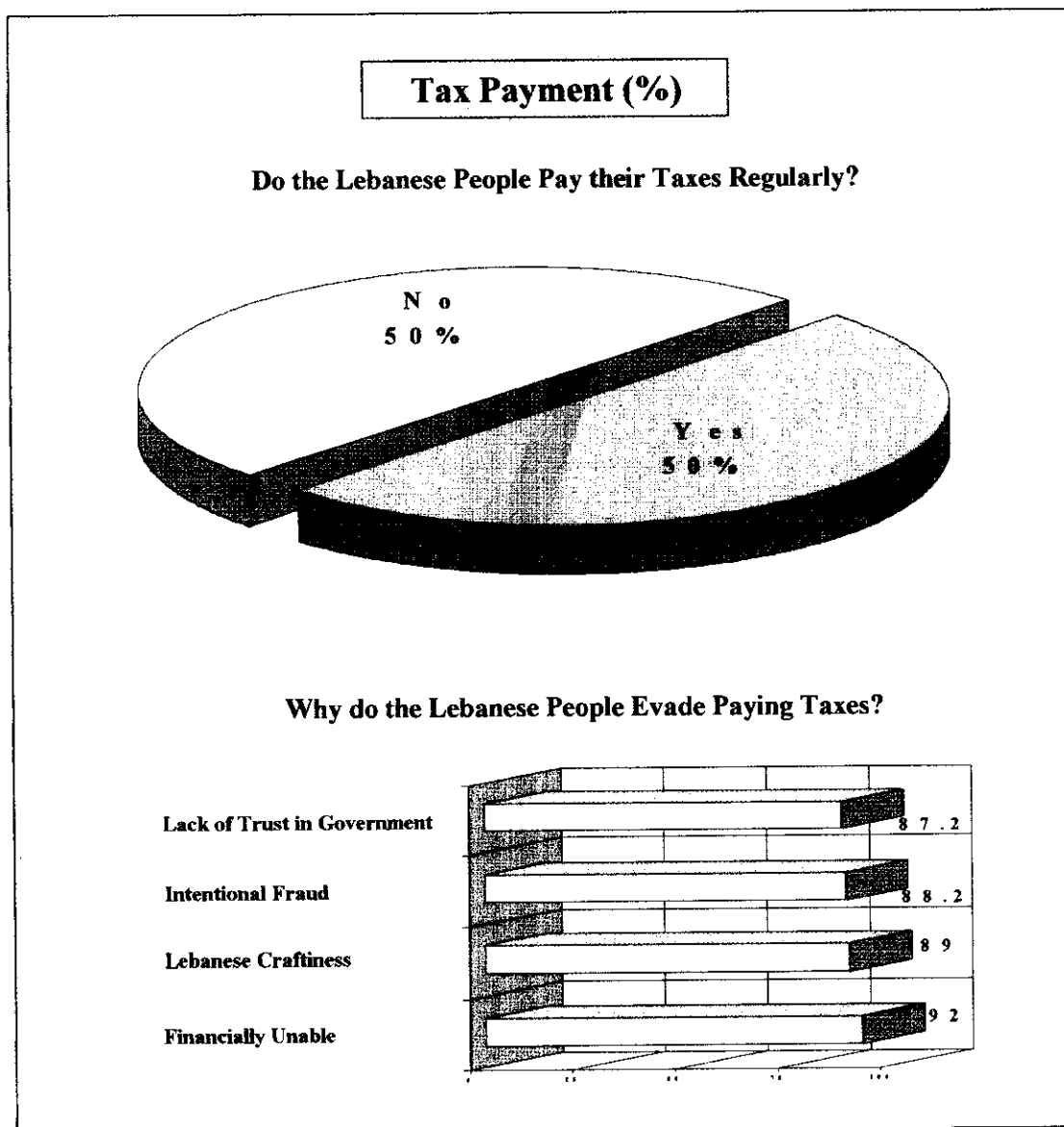
4. Tax Payment

In 1992, the World Bank estimated that from among 65,000 business enterprises registered in Beirut, 70% declared that they do not submit any tax statement. 90% of the remaining 30% admitted underestimating the value of their taxes.

As a matter of fact, 50% of the population, partitioned along the lines of gender, income, religion, area of residence, education and age stated that they do not pay their taxes on a regular basis. Half of the respondents announced frankly their unwillingness to pay their taxes regularly (Figure 47).

When asked about the reasons of their tax evasion, 92% said that they are financially unable to pay their taxes. 89% said that it is a Lebanese way of craftiness. 87.2% said that they do not trust the government. Finally, 88.2% considered it an intentional fraudulent act.

Figure 47



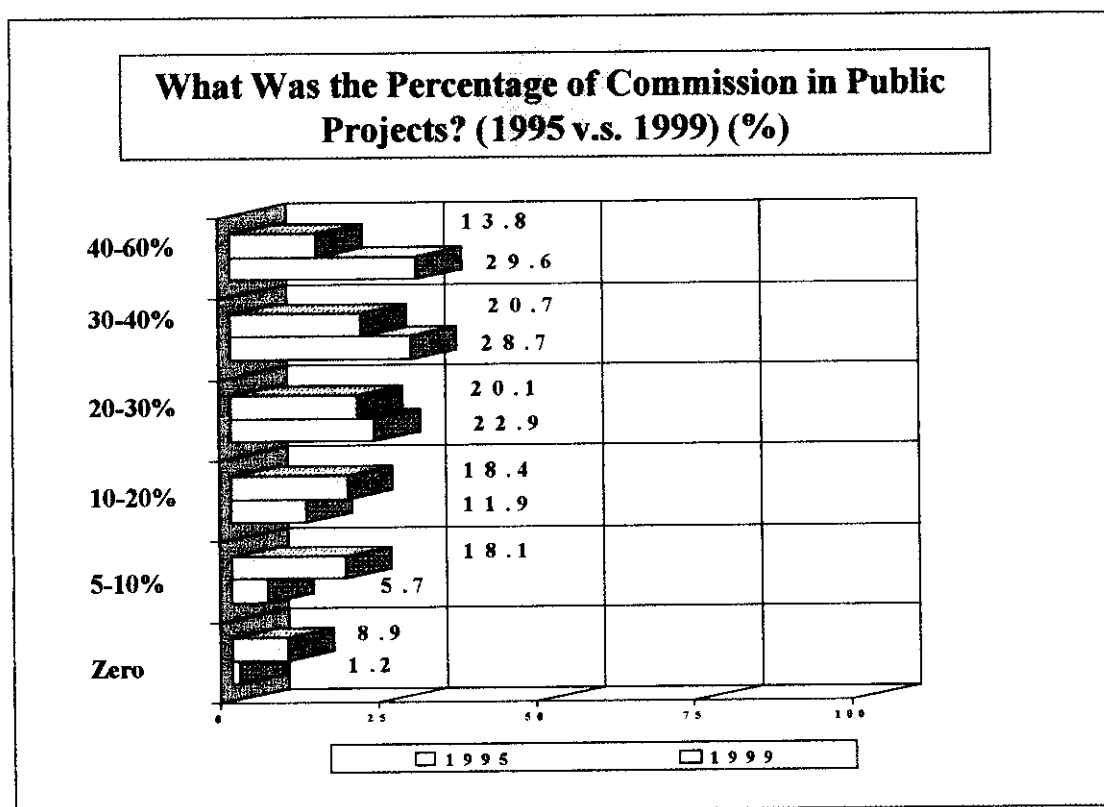
This atmosphere is not only conducive to tax evasion, but also nurtures undisciplined behavior, corrupt practices and deviant behavior. Such weak compliance habits make the government task of collecting taxes to build a strong revenue base extremely difficult. Awareness-building campaigns showing the government as a guarantor of social welfare and as a protector of the public interest need to be launched to develop citizenship loyalty. Otherwise, citizens start working to promote their own individualistic interests, even at the expense of public property.

5. Estimates of Illegal Commissions

People in general pay illegal fees to get the approval for executing a public project. For instance, 22.9% of the respondents declared that in 1995 they paid 20% to 30% as commissions. 28.7% said that the commission paid ranged between 30% and 40%. While 29.6% of the respondents said that they paid between 40% to 60% as commissions for public projects. Such overt admission indicates that there is a legitimization of the role of corruption in public affairs.

The respondents did not show any sizable or significant change in perception when asked to estimate commissions for the year 1999. However, the percentages of commission were a bit reduced. The idea that one does not get a public project if illegal commissions are not paid is still prevalent. The population perceived that business people pay high commissions to public officials in return for being granted licenses to execute public projects. The commissions ranged from 5% to 60%. It remains to say that transparency mechanisms are lacking and the ideal of open tendering of projects is more a myth than a reality.

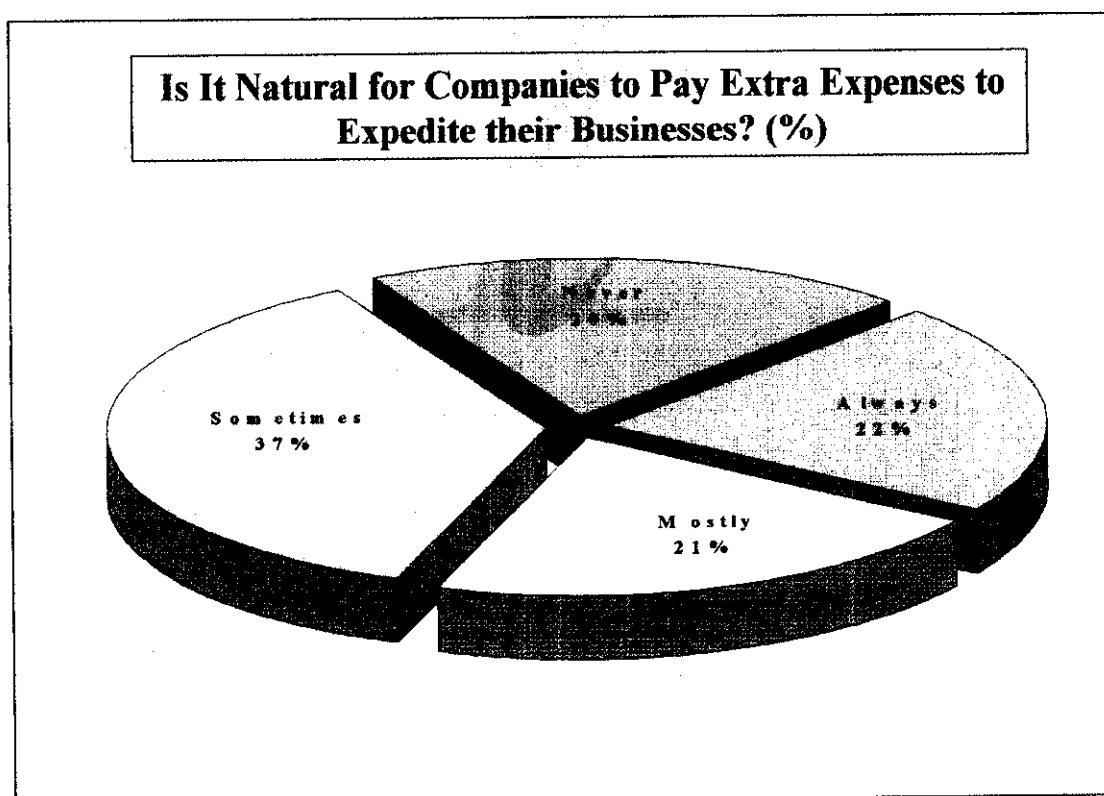
Figure 48



The population saw it necessary and natural for business corporations to pay additional fees and extra expenses to expedite their business. 22% stated that the predominant practice occurs always. 21% declared that the practice is mostly prevalent (Figure 49).

One example is that of the Bureau of Accounts, which refused the approval of governmental budgets allocated to the execution of some public projects during the years 1992-1998. It has, however, been reported that in the fiscal year 1996-1997, the expenses of the public projects that the Bureau refused but were executed by the government at that time were estimated at 73 billion Lebanese pounds. This constitutes a valuable example of corrupt behavior, which does not take into consideration the recommendations of a bureau whose function is to audit and supervise the financial expenditure of the public administration.

Figure 49



In fact, there is a list of projects that ended up costing much more than the original estimates, due to mismanagement of public funds and corrupt practices. A tentative list would include the following: The Palace of Justice in Sidon, the road from Mar Elias to Khalde, the Palace of Justice and the Court of Jdeideh, the butchereries in Tripoli, Sidon and Zahle, the rehabilitation of the building of the Social Affairs Ministry, the tunnel of Saeb Salam, the sports center of Jdeidet El Metn, the maritime road in Sidon, the Zahrani-Tyre highway, the Jieh-Zahrani highway, the Damour-Jieh highway and the Chekka-Tripoli highway.

The list of public projects that were not approved by the Bureau of Accounts includes projects executed by the Center for Development and Reconstruction, which was relegated extra-governmental functions, some of which escaped any administrative or financial auditing.

Business and Professional Population

II. Business and Professional Population

A. Methodology

Information International conducted a special poll to sound out the opinions of the professional segment of Lebanese society. 120 people were interviewed, namely business people, administrators in non-governmental organizations, accountants, public employees (Grade 3 and above), industrialists, lawyers, teachers, editors of newspapers and magazines, journalists, medical doctors and pharmacists.

Questions focused on the causes and implications of corruption on Lebanese society and specifically on corruption in the public administration, the judiciary and the body politic.

The following analysis will present a comparison between the opinions of the general population and those of the business people, which will highlight differences or similarities in people's perception of corruption and make the study more comprehensive.

1. Distribution by Gender

The sample covered 80 males and 20 females, reflecting the general level of employment in Lebanon in which out of 29.9% of the Lebanese total population that constitutes the active working force, 24.2% are males and 5.7% are females.

2. Distribution by Age

The age distribution of the population was divided as indicated in the table below. This age compartmentalization reflects realistically the age at which professionals reach the peak of their career (35-44), are matured by experience and equipped with managerial and technical skills.

Age Brackets	Percent
15-24	6
25-34	27
35-44	34
45-54	26
55-64	6
> 65	1

3. Distribution According to Educational Level

The educational level of the population sample showed that 45% held a university degree and 19% held a post-graduate degree. This educational background would indicate, in principle, a higher level of awareness about corruption and a deeper knowledge of their respective fields.

Educational Level	Percent
Post Graduate	19
University Degree Holder	45
Secondary	22
Technical	14

4. Distribution According to Religious Affiliation

The distribution of the population according to religious identity produced a random sample of 57.2% Muslims and 42.8% Christians. These percentages are a realistic reflection of Lebanon's demographics.

5. Distribution According to Income

The income distribution figures of the sample were higher than the national average, supporting the fact that professionals have higher revenues and indicating that education in Lebanon is still a means for upward vertical social mobility.

National Income Distribution Level in 1999

Income	Percent
\$ < 250	5.8
\$ 250-500	34.0
\$ 500-1000	34.5
\$ 1000-1500	12.1
\$ 1500-2000	5.9
\$ 2000-3000	4.3
\$ > 3000	3.1

Professionals' Income Distribution Level

Income	Percent
\$ 501-1000	7.1
\$ 1001-1500	27.6
\$ 1501-2000	23.5
\$ 2001-3000	20.4
\$ 3001-4000	12.2
\$ 4001-5000	2.0
\$ > 5000	7.1

87% of the professionals/specialists work in the private sector and 13% in the public sector.

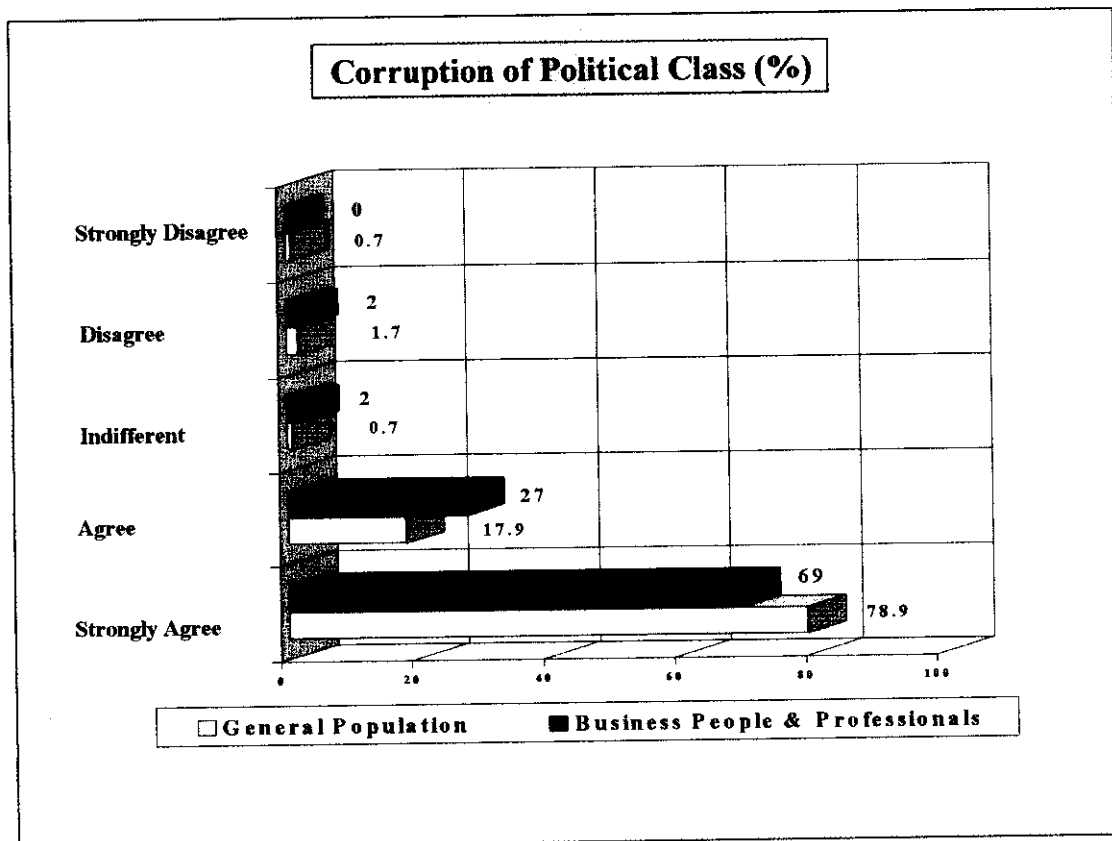
B. Causes of Corruption

1. Corruption of the Political Class

In the General Population Benchmark Poll, 78.9% strongly agreed and 17.9% agreed that the corruption of the political class constituted a main cause for the spread of corruption in Lebanon. 69% and 27% of the business and professional population respectively strongly agreed and agreed on the same cause (Figure 50).

The total population in both polls who attributed corruption to the political class is identical, as it reached the average of 96%. There appears to be, therefore, a national consensus that the political class in Lebanon indulges in corrupt policies and contaminates public life with mal-practices and abuse of power.

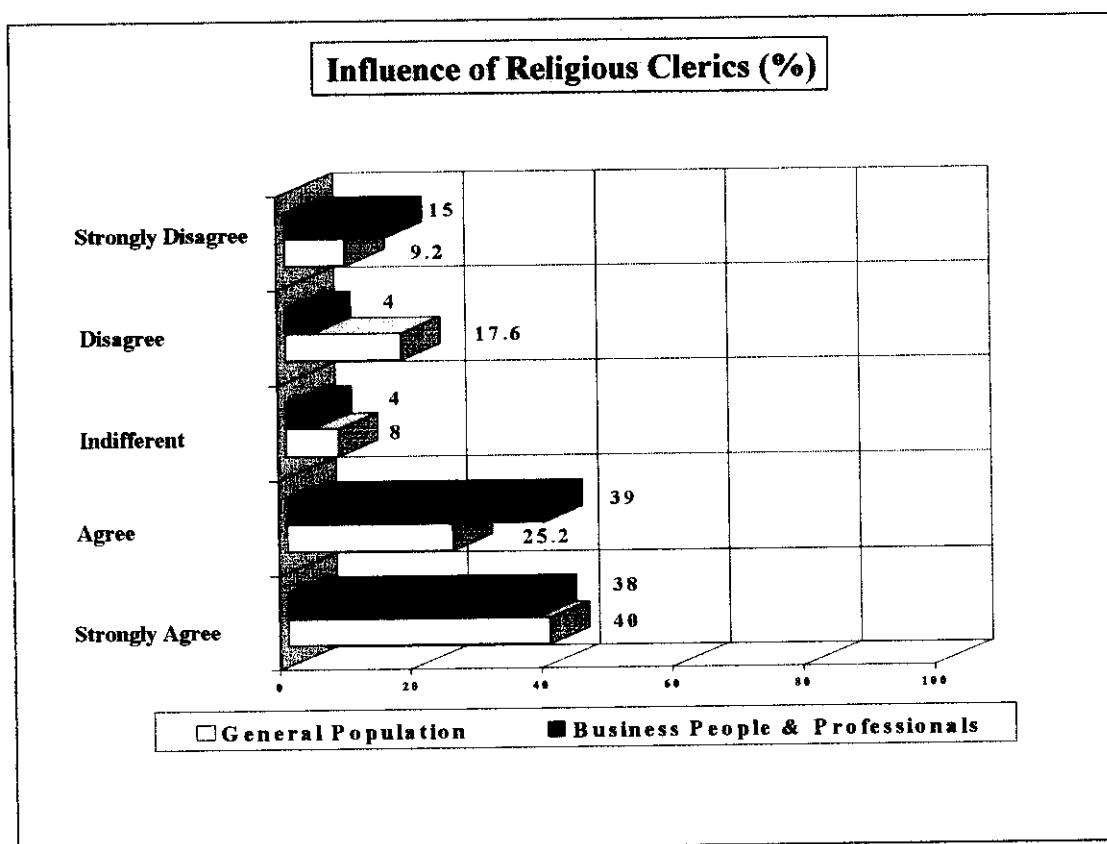
Figure 50



2. Influence of Religious Clerics

The business and professional population is more reprobative of the negative influence of religious clerics, as 77% linked them with corrupt practices, compared to 65.2% of the general population who held the same view (Figure 51). This indicates a high level of skepticism regarding the role of religious authorities in public life in Lebanon. Such negative perceptions strongly reveal the need for the principle of meritocracy over that of sectarian distribution of government posts.

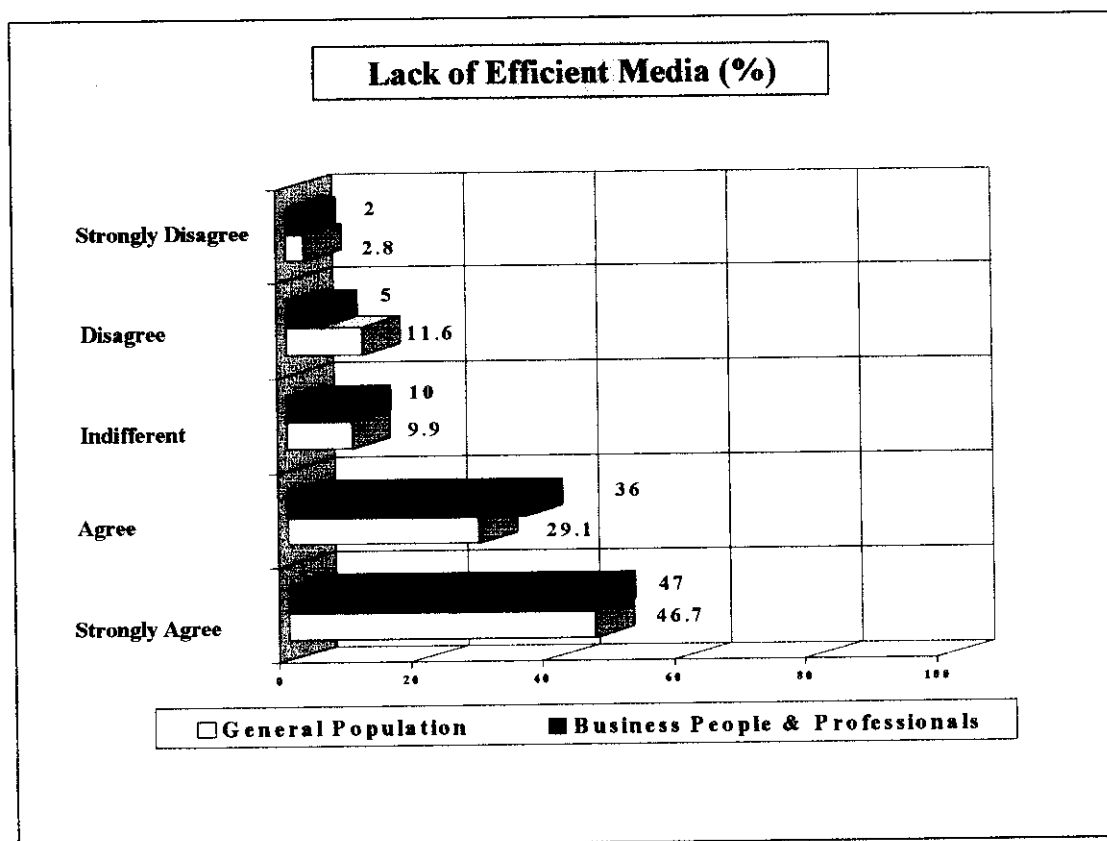
Figure 51



3. Lack of Efficient Media

There is a consensus in Lebanon about the instrumental role of the media in curbing corruption. 83% of the business and professional population attributed the proliferation of corruption to the lack of efficient media vehicles, which can effectively highlight and uncover cases of corruption thus creating a general atmosphere in the country that would encourage transparency and probity, making corruption a high-risk, low-profit enterprise. This firm belief in the role of the media in controlling corruption was reiterated by the general population, where 75.8% strongly agreed or agreed that the media was weak in performing its role to curb corruption (Figure 52).

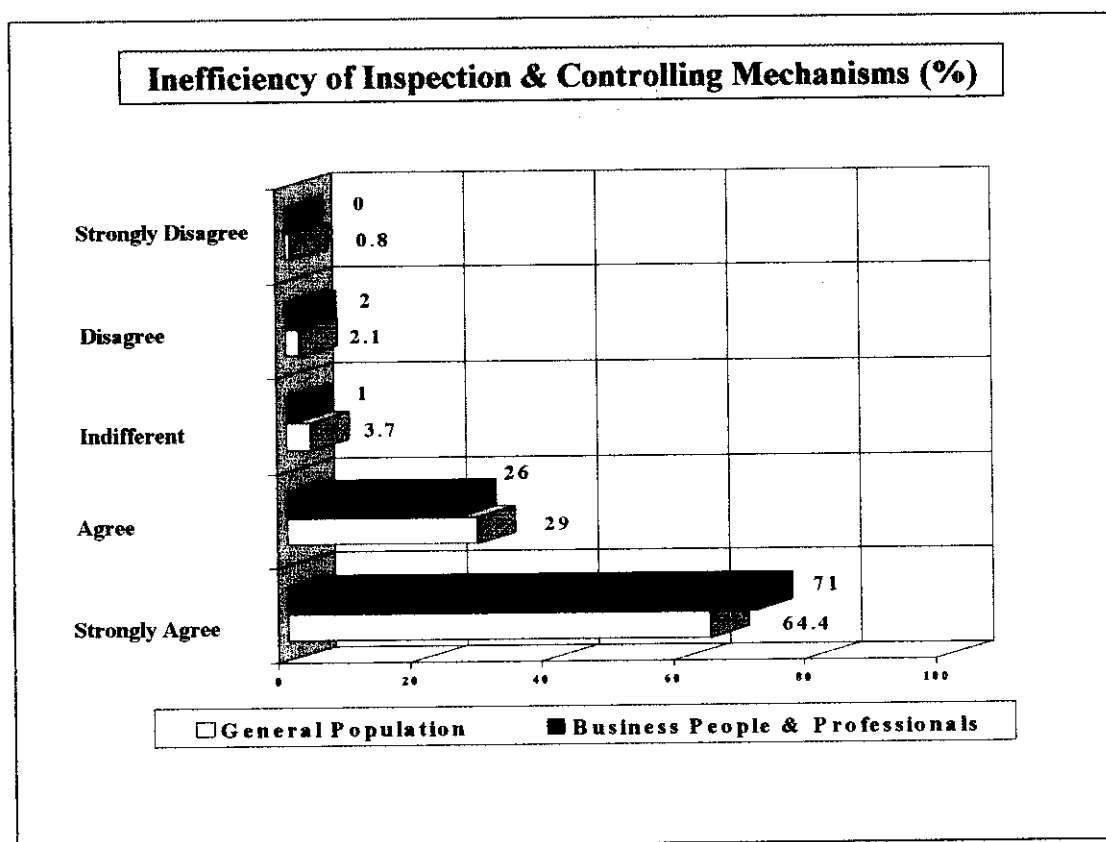
Figure 52



4. Inefficiency of Inspection & Controlling Mechanisms

97% of the business and professional population strongly agreed and agreed that inspection and controlling mechanisms were inefficient in detecting and punishing corrupt practices. Therefore, corruption thrives on this institutional weakness. This high average matches with the 93.4% of the general population who stated in the previous poll that corruption proliferates due to the ineffectiveness of inspection bodies (Figure 53).

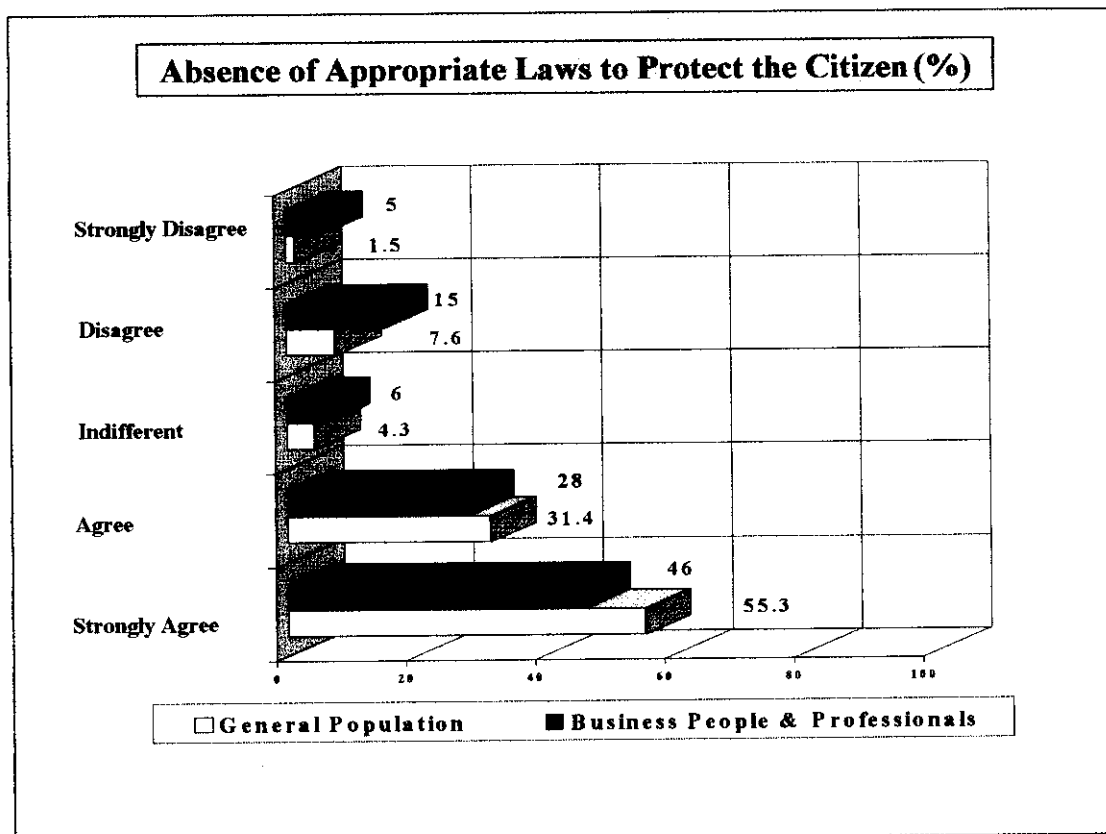
Figure 53



5. Absence of Appropriate Laws to Protect the Citizen

74% of the business and professional population strongly agreed and agreed that the absence of appropriate laws that protect citizen rights encourages the spread of corruption. Such a belief in legal mechanisms and the rule of law was originally reiterated among the general population, where 86.7% linked corruption with the absence of legal mechanisms and networks (Figure 54).

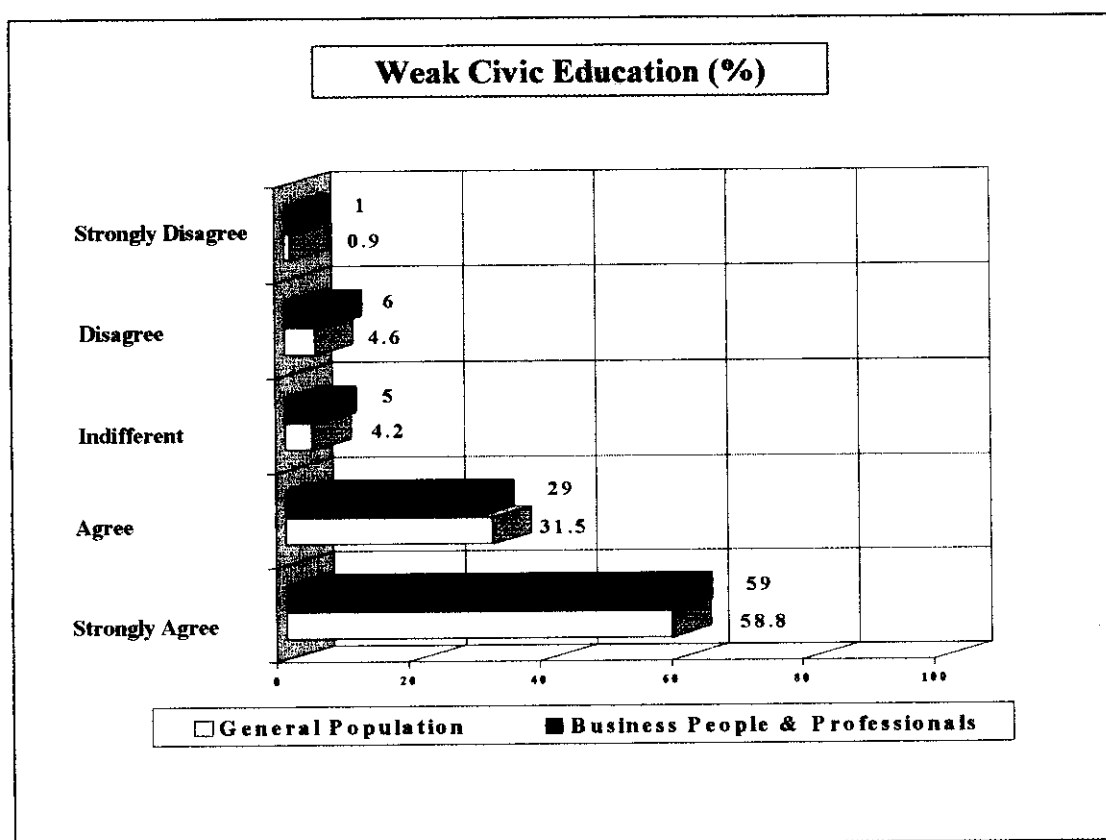
Figure 54



6. Weak Civic Education

88% of the business and professional population believe that with the absence of civic education which teaches public virtues, rules of law, compliance habits and good citizenship, corruption multiplies its negative effects and becomes more widespread. The 90.3% of the General Population Poll who had similar beliefs indicates that there is a strong national consensus on the necessity of strengthening civic education in order to create an environment conducive to transparency and public integrity (Figure 55).

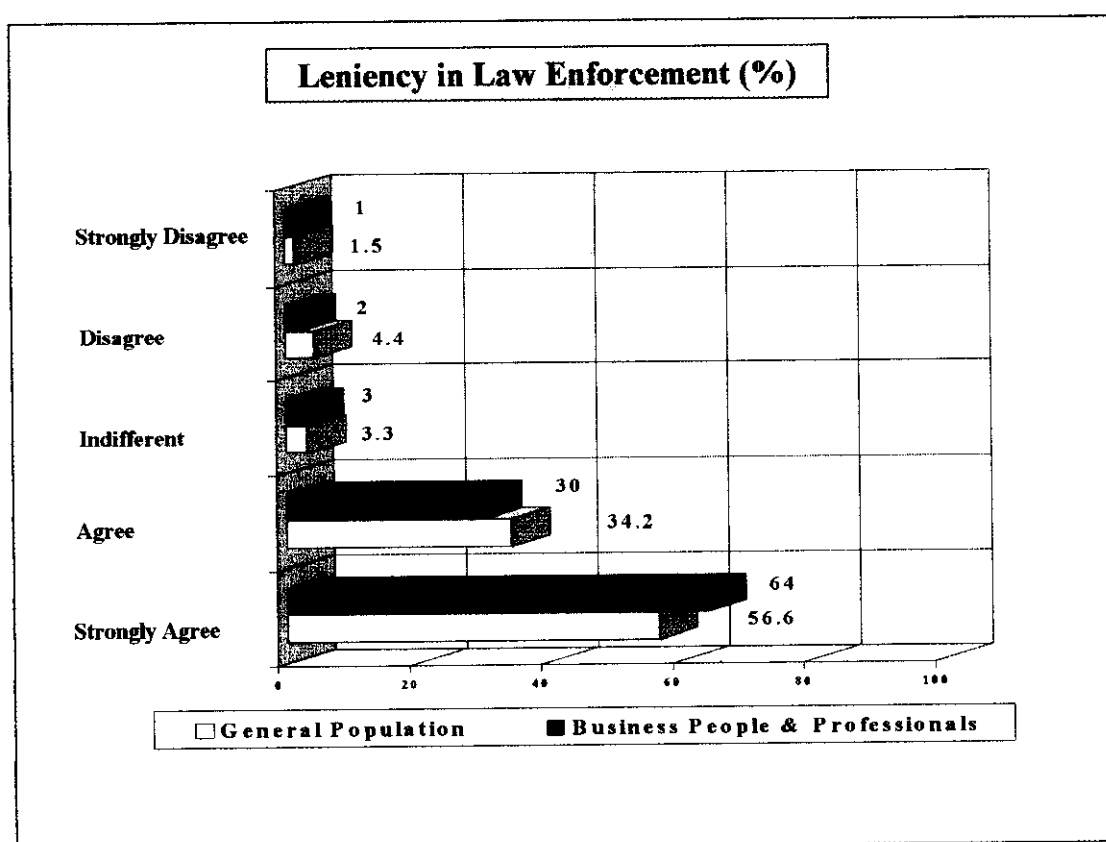
Figure 55



7. Leniency in Law Enforcement

94% of the business and professional population stated that leniency in law enforcement encourages corruption, compared to 90.8% of the general population in the original Benchmark Poll (Figure 56). The agreement of opinion amongst various segments of the Lebanese society constitutes a good launching ground for institution building. Any comprehensive effort to undertake serious administrative reform would undoubtedly satisfy the large majority of the Lebanese population and meet their expectations.

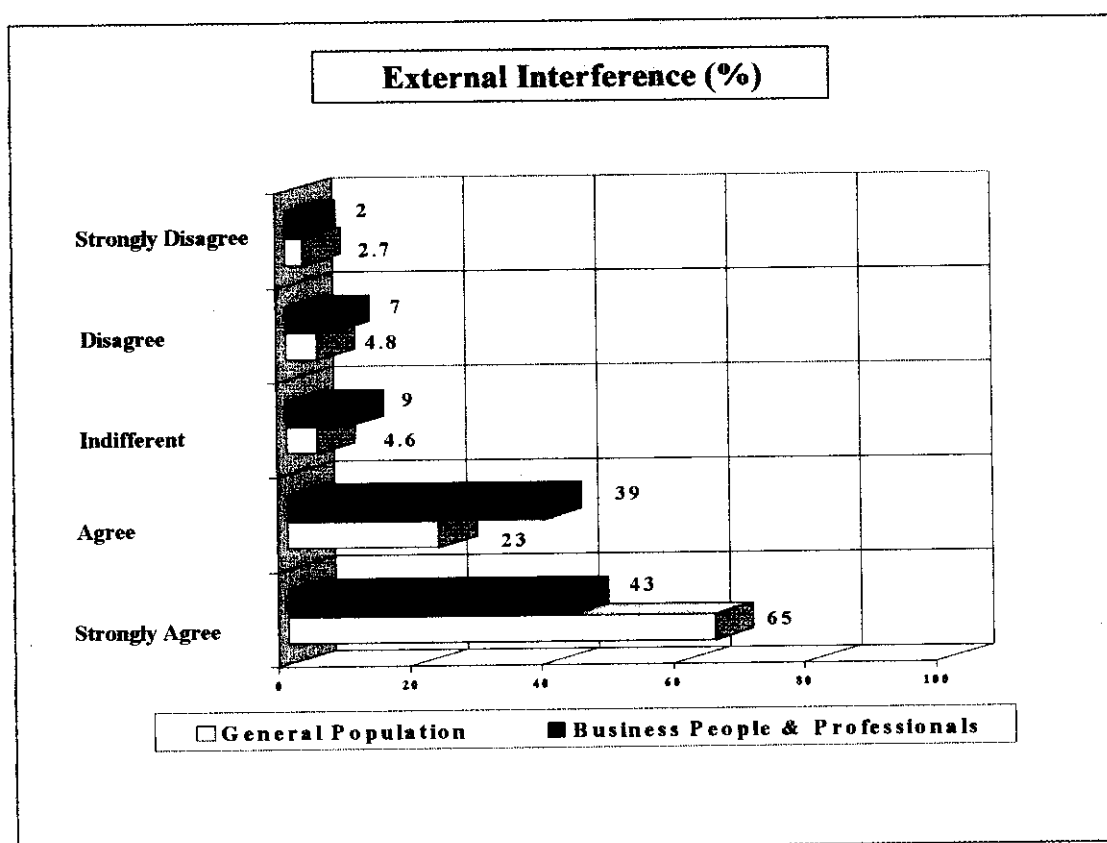
Figure 56



8. External Interference

External interventions have always been effective variables in the Lebanese socio-political equation. It is not surprising, therefore, to find 82% of the business and professional population linking corruption to external interference. This coincides with the 88% of the general population who reiterated similar concerns and opinions (Figure 57).

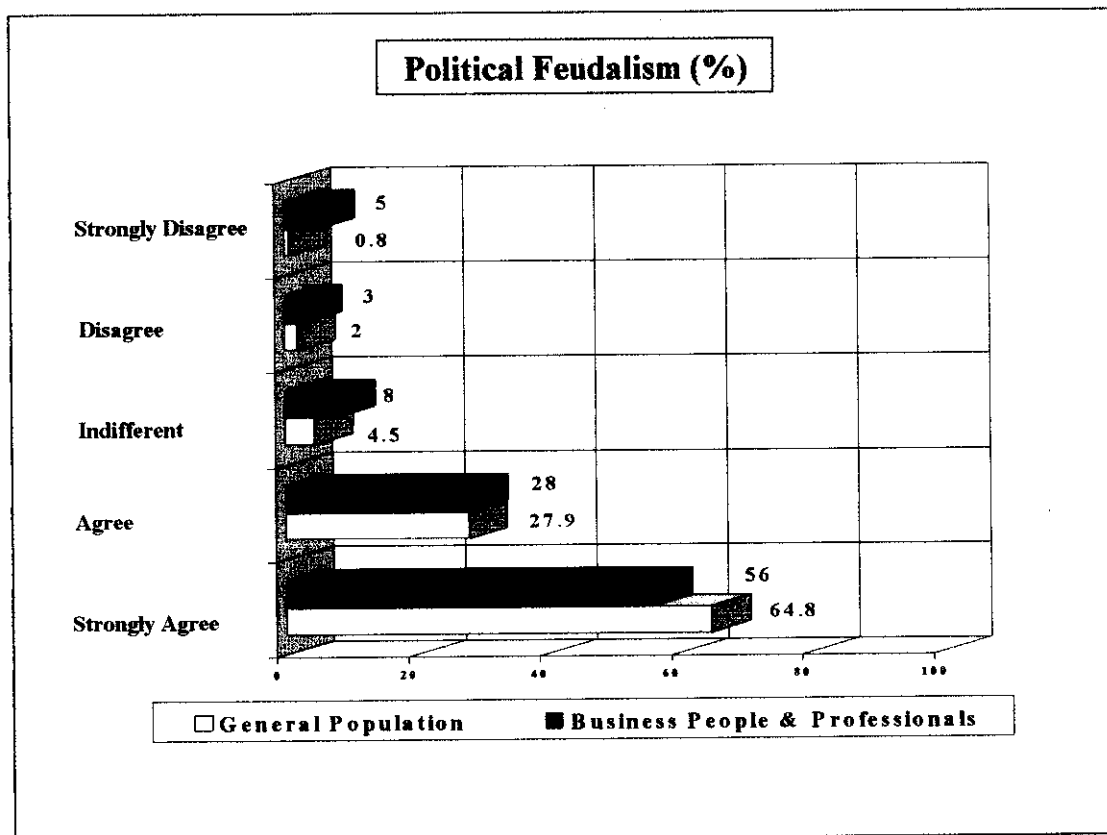
Figure 57



9. Political Feudalism

Political feudalism, according to 84% of the business and professional population, is the cause of corruption (Figure 58). This indicates an explicit reprobation of the patron-client relationship that engenders nepotism and favoritism. Feudal zaims confer special favors to political supporters, sectarian partisans or relatives. They recruit civil servants on the basis of sectarian affiliations, political considerations and family connections rather than on merit.

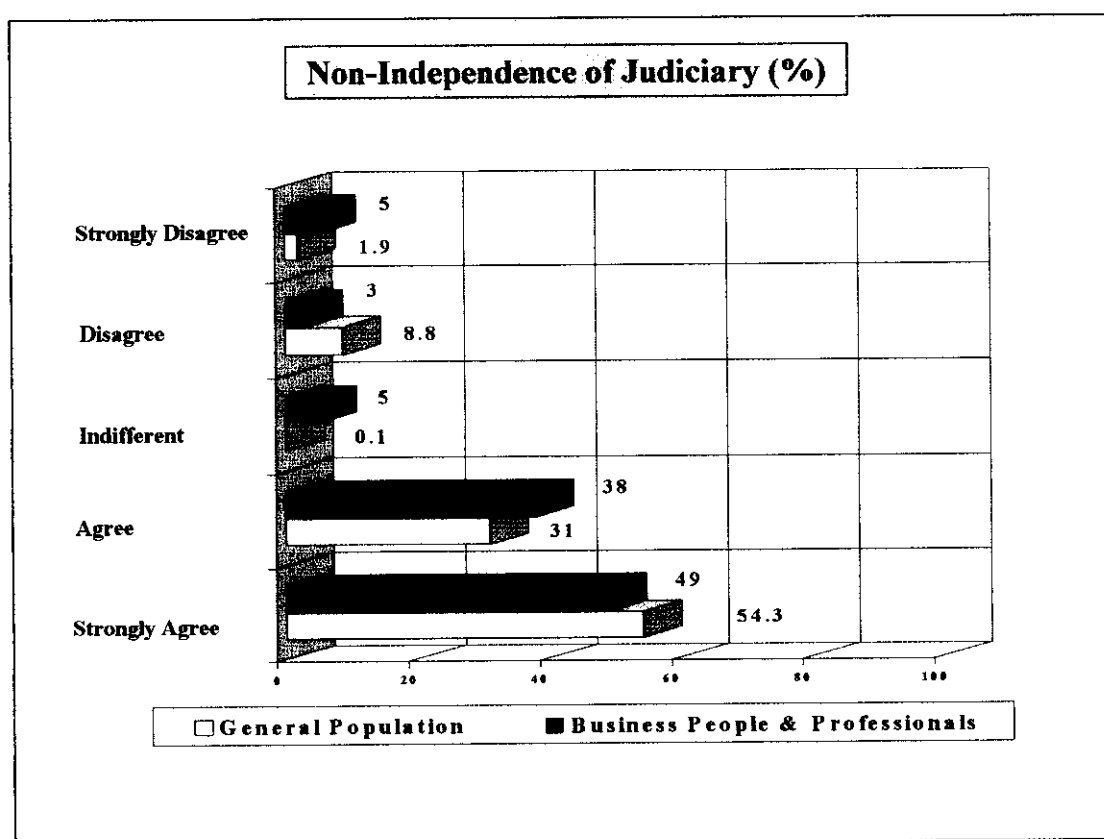
Figure 58



10. Non-Independence of the Judiciary

87% of the business and professional population strongly agreed and agreed that the non-independence of the judiciary leads to corruption (Figure 59). 85.3% of the general population had such a similar point of view. Such a negative perception of the role of the judicial system is rather detrimental to any comprehensive and drastic anti-corruption strategy. The independence and integrity of the judiciary should be a main pillar of national consensus, as no reform can take place without the active involvement of the judiciary in instituting accountability and overseeing the application of laws.

Figure 59

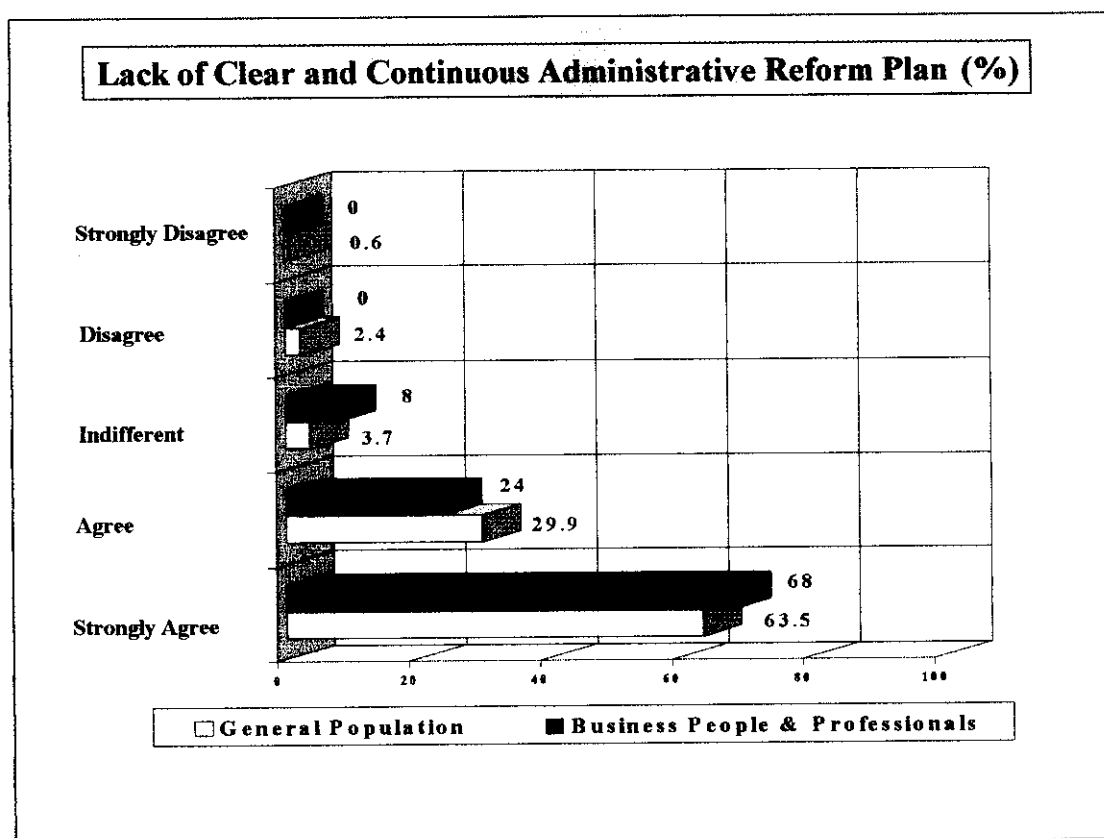


11. Lack of Clear and Continuous Administrative Reform Plan

The figures are approximately the same in both the General Population Benchmark Poll and the Business and Professional Population Poll concerning the association of corruption with the lack of a clear and continuous administrative reform plan (Figure 60).

There is an overwhelming conviction in Lebanon i.e. 92% of the business and professional respondents and 93.4% of the general population that administrative reform should be a continuous process, not a sporadic operation leading to half measures and incomplete results. Reform requires constant overhauling, inspection, control and follow-up to develop and sustain integrity systems and anti-corruption mechanisms.

Figure 60



Republic of Lebanon
 Office of the Minister of State for Administrative Reform
 Center for Public Sector Projects and Studies
 (C.P.S.P.S.)

C. The Most Corrupt Segment of the Lebanese Society

This open-ended question about the most corrupt segment of the Lebanese society was answered without any subjective interference or suggestive hints. 21.4% of the general population and 7% of the business and professional population stated that the "political class" as the most corrupt segment of the Lebanese society, indicating reprobation of the role of politics in serving the interests of the population and promoting public good (Figure 61).

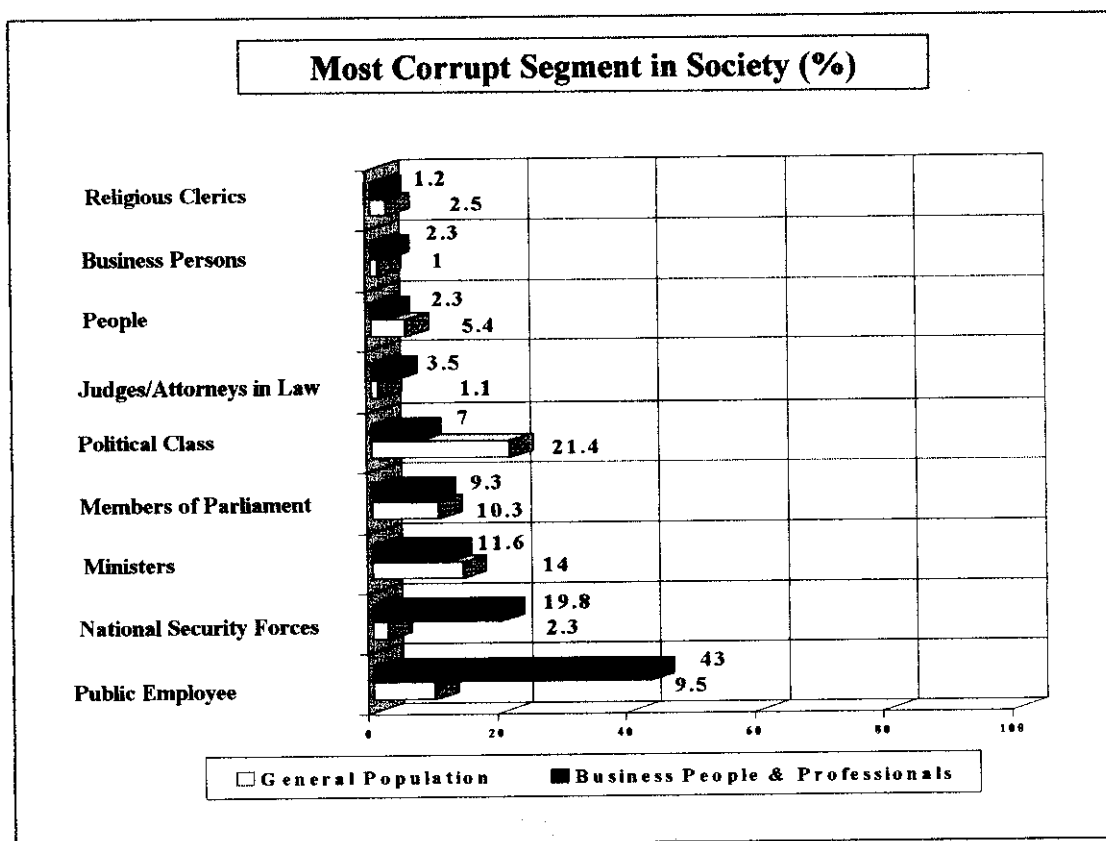
Such negative perceptions go along with the level of mistrust in public officials, where 9.5% of the general population and 43% of the business and professional group considered the public employee to be the most corrupt of the society.

The distrust in national security forces is also quite apparent. 19.8% of the business and professional population and 2.3% of the general population considered national security forces, who are supposed to monopolize the means of coercion in any well-governed society are deemed by people corrupt.

11.6% of the business and professional population versus 14% of the general population consider the minister to be the most corrupt of the society. 9.3% of the business and professional population versus 10.3% of the general population consider members of parliament as most corrupt in the society.

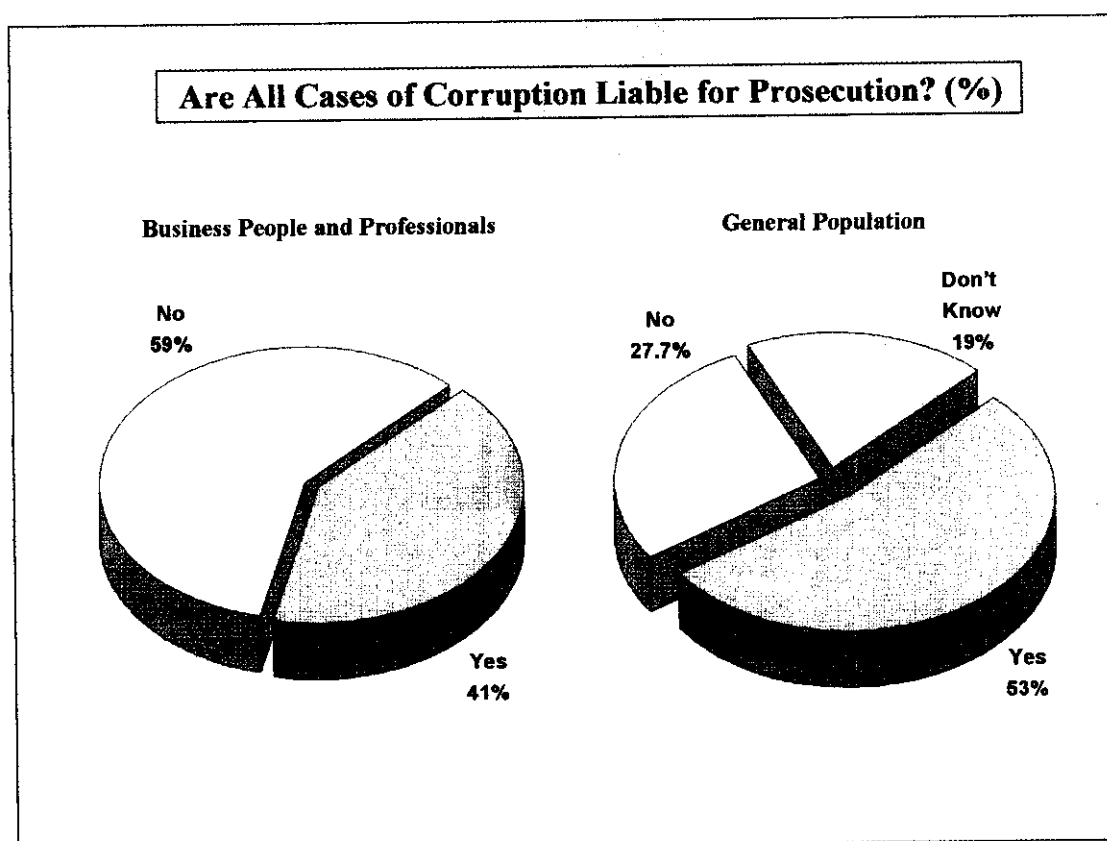
In Lebanon, ministers and members of parliament are regarded as corrupt and working to promote their particularistic interests at the expense of the public good.

Figure 61



D. Lebanese Attitudes vis-a-vis the Practice of Corruption

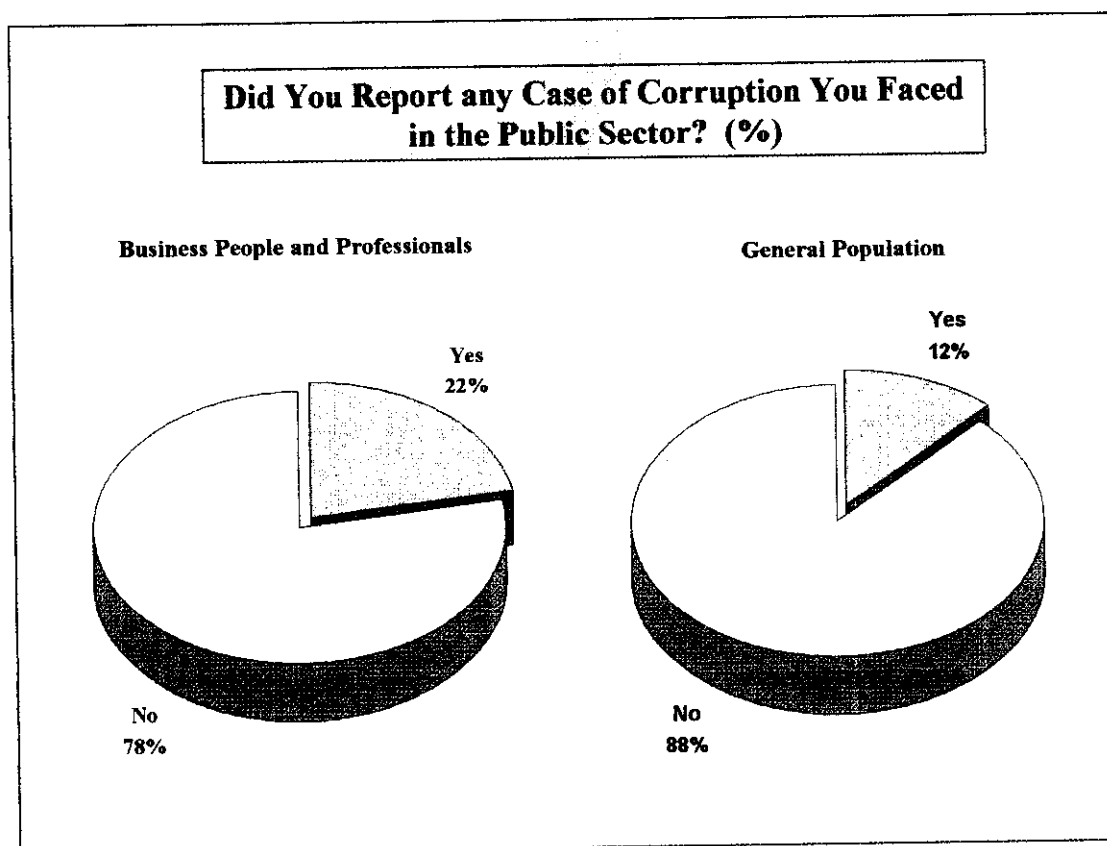
It is interesting to note that the business and professional population in Lebanon is a bit more cynical than the general public about the integrity and commitment of the political leadership in taking measures to fight corruption. Only 41% of them, versus 53% of the general public, think that all cases of corruption are liable for prosecution (Figure 62).

Figure 62

In responding to the question about reporting cases of corruption, 22% of the business and professional population admitted reporting cases of corruption they faced in the public sector, as against only 12.1% of the general population (Figure 70). In this instance, the business and professional population appeared to be expressing higher expectations in their reliance on the government to make all perpetrators of corruption liable for prosecution.

The general abstinence of the Lebanese citizens in reporting corrupt practices that they might have encountered indicates either their sense of futility that no tangible results can ever materialize out of their action or their fear of countermeasures that might be taken against them. In both cases, passivism prevails and negativism leads to inaction and apathy.

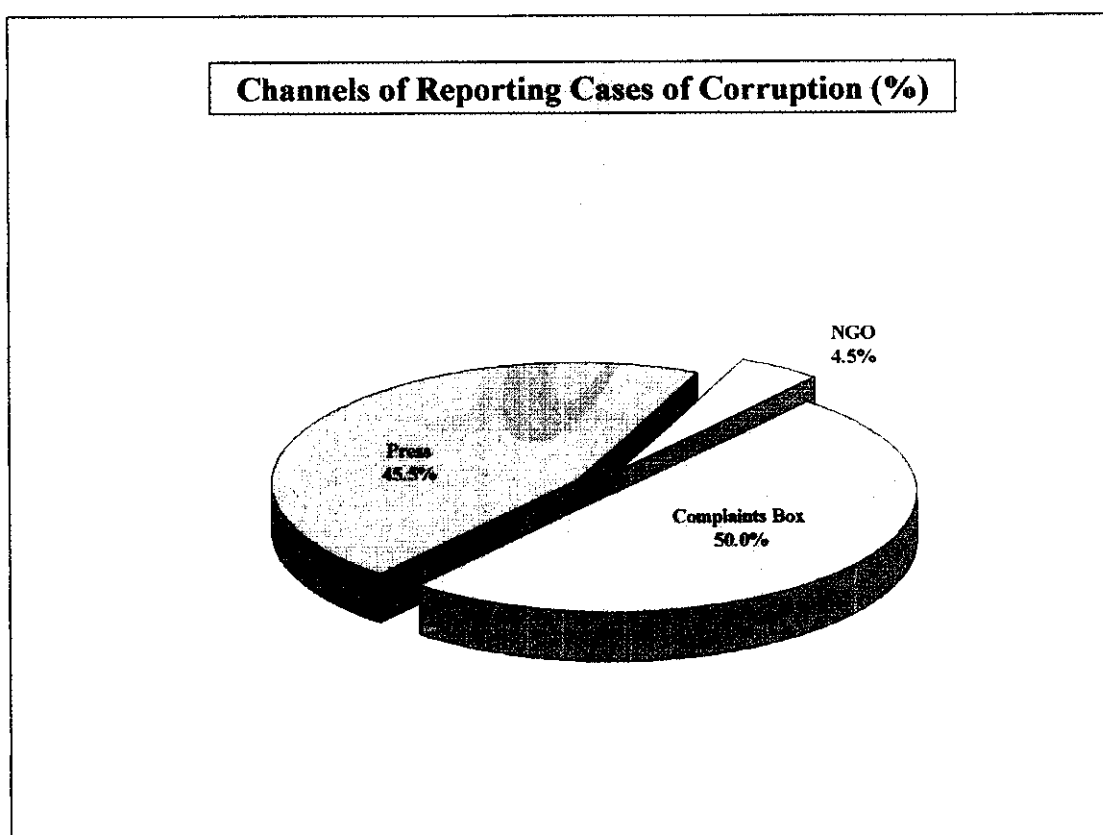
Figure 63



Half of the population who had enough audacity and willingness to report cases of corruption in the public sector resorted to the Complaints Box in the presidential palace innovated by incumbent President Emile Lahoud. Among the others, 45.5% reported to the press, with only 4.5% reporting their grievances through a non-governmental organization (Figure 64).

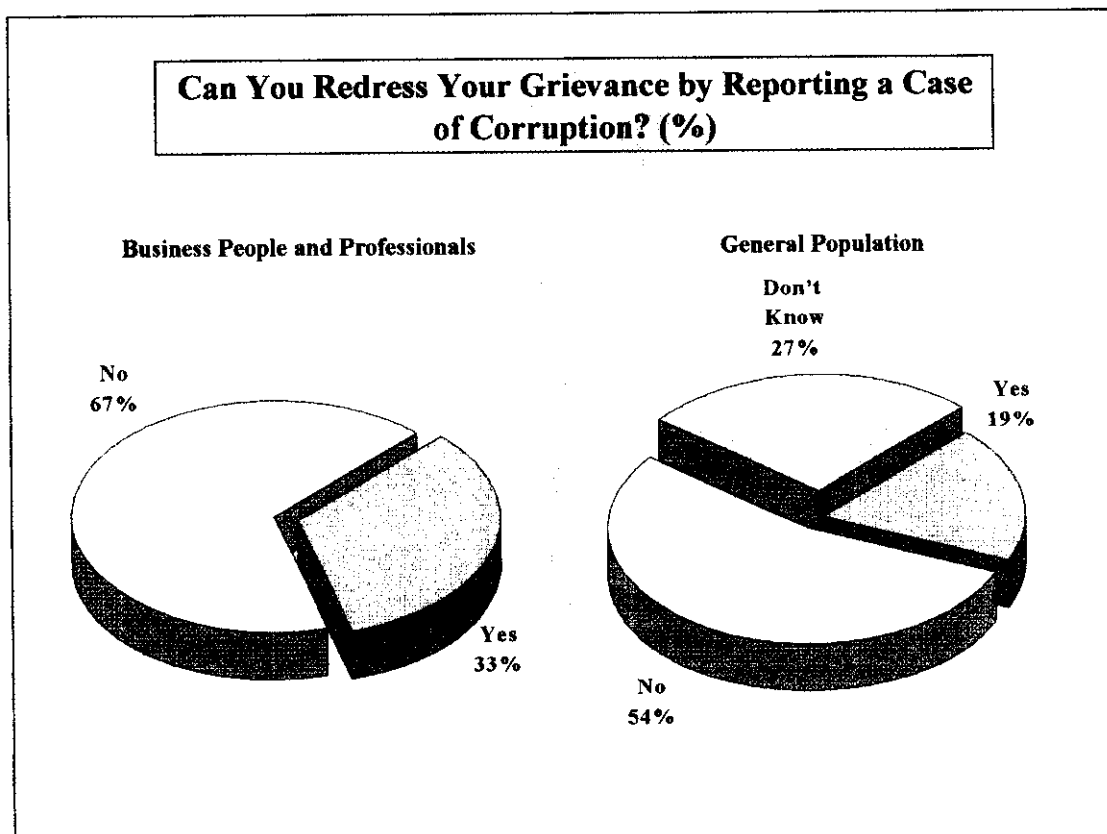
It is quite strange that no one seeking to redress his/her grievance appealed to the judiciary. It is as if there are no legal institutional mechanisms open to the Lebanese people for reporting cases of corruption.

Figure 64



33.3% of the business and professional population believe their grievance can be redressed and their case resolved after reporting the corrupt practice they personally encountered. This suggests that more citizens should be empowered and taught how to stand up for their rights (Figure 65).

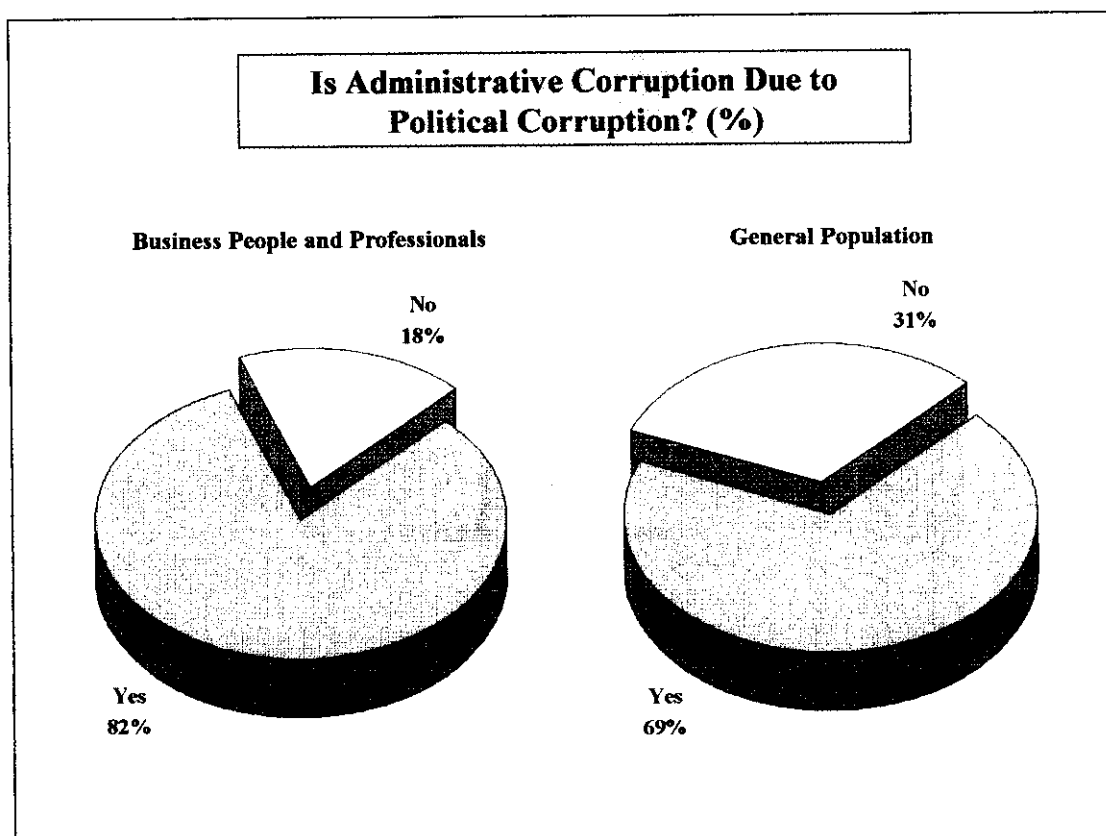
Figure 65



E. Corruption in the Political System

82% of the business and professional respondents and 68.9% of the general population considered political corruption to be the reason behind public administrative corruption. This indicates a very strong condemnation of the political system in Lebanon (Figure 66).

Figure 66



F. Corruption in the Public Administration

1. Estimates of Public Salaries

70% of the business and professional population stated that the remuneration and salaries of public employees do not match with the responsibilities they have to perform. They believe that salaries need to be increased by 50% in order to improve the efficiency and effectiveness of the public employee performance.

Demotion of public employees or accountability in the public administration are not practiced, according to 78.4% of the respondents, which indicates disbelief in the process of accountability and the effectiveness of law enforcement mechanisms.

The 21.6% who heard of cases of demotion, firing and other such actions taken by the General Disciplinary Council stated that such measures took place in the Ministry of Finance, in the public utilities sectors, in the Ministry of Foreign Affairs, in the municipalities, in the Armed Forces and in the Social Security.

2. Role of Control and Inspection Bodies

82% of the respondents stated that vacancies in the Lebanese public administration are not filled by the Civil Service Council but through nepotism and favoritism. In addition, 92.9% of the business and professional population do not think that public employees receive any training by the National Institute for Public Administration. 92% do not think that public employees declare their properties and assets before assuming their public functions, due to the lack of political and administrative transparency mechanisms.

82% of the respondents were freely aware that public employees should declare their assets, sources of revenues, second jobs and previous business connections. They however, seemed confused about the timing of such declarations i.e. with the beginning of the employee office term, during the office term or at the end of the term.

3. Evaluation of the Public Administration

46% of the business and professional population consider bureaucratic delays in public procedures most problematic, while 26% complain of nepotism and 9% look at the public administration as cumbersome, confusing and full of bribery.

90% of the population find the public administration to be characterized by a very high level of corruption.

4. Privatization of the Public Utilities Sector

60% of the business and professional population approve of privatization of public utilities as a means of making them more efficient and expeditious.

64% of the business and professional population show confidence in the judiciary as an effective institution in curbing corruption, while 43% think the same of the Civil Service Council, 46% of the Central Inspection Council and 48% of the Bureau of Accounts.

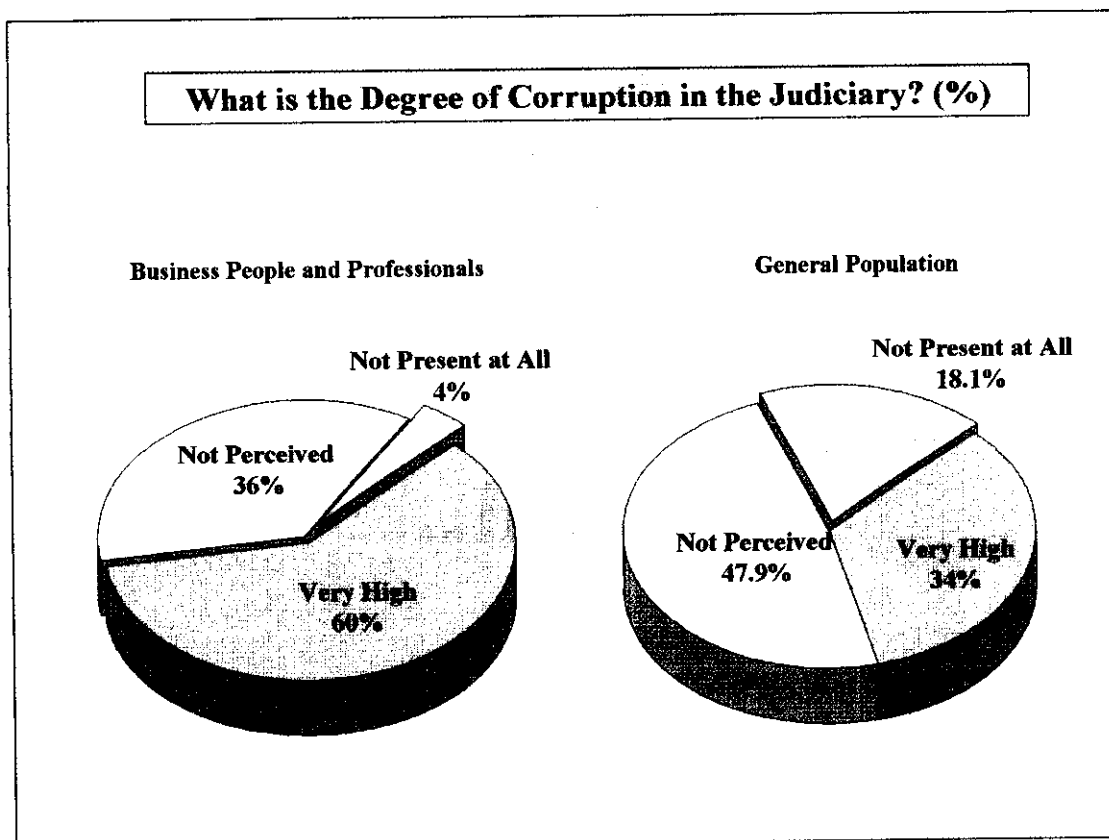
5. The Governmental Activities Most Prone to Corruption

42% of the population identified contracts as the public area most susceptible to corruption, followed by the habit of recruiting employees outside the jurisdiction of the Civil Service Council. They finally identified the areas of public investment as another most susceptible area to corruption. 50% believed that the real estate departments in the public administration are the most corrupt, followed by the customs department.

G. The Judicial System

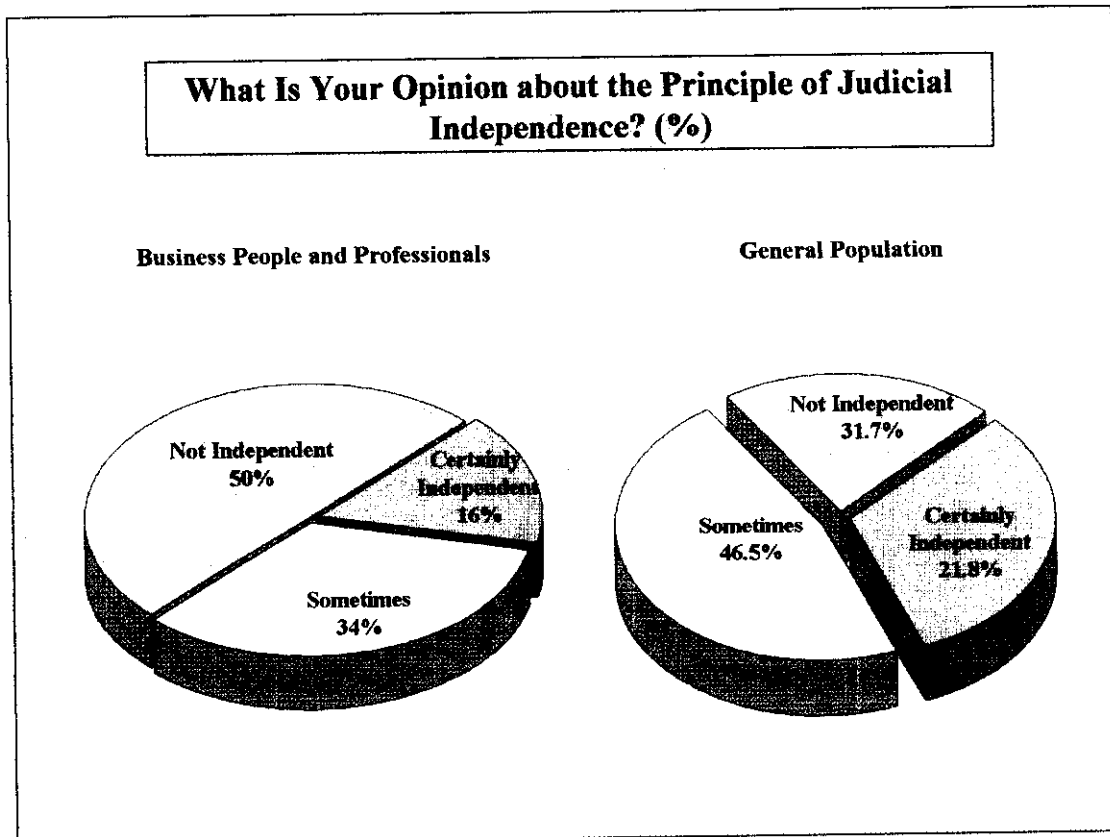
60% of the respondents characterized the judiciary as highly corrupt and 10% as non-independent from political interference. 64% stated that judiciary actions taken against public employees are highly likely to decrease the occurrence of corruption in the future (Figure 67).

Figure 67



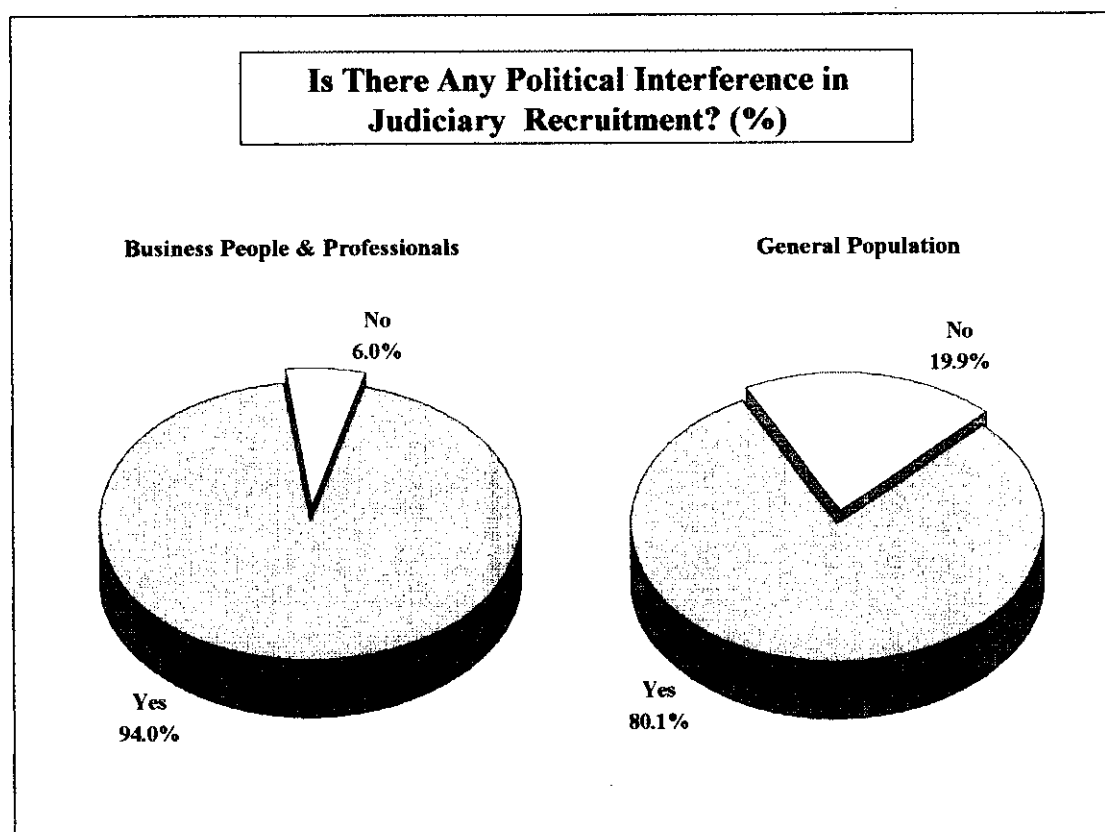
The business and professional population seems to be more pessimistic about the independence of the judiciary than the general population. 50% stated that the judicial system in Lebanon is not independent compared to 31.7% of the general population (Figure 68).

Figure 68



94% of the business and professional population versus 80.1% of the general population believe there is political interference in judicial appointments (Figure 69).

Figure 69



H. Economic Cost of Corruption

74.2% of the business and professional population virtually do not expect to secure any business contractual agreement or profit from any public institution without paying commissions. There is a deeply-seated belief that the payment of extra fees to key public employees facilitates the getting of public projects and only 7% believe that contracts signed with the Lebanese public administration were concluded according to open tendering. 70% do not expect to perform any public procedure without the payment of bribery or kickbacks.

The estimation of the value of commissions paid in order to win public contracts in 1999 is not in principle different from that of 1995, except that business and professional population expect to pay lower percentages nowadays than they used to before (Figures 70 and 71).

Figure 70

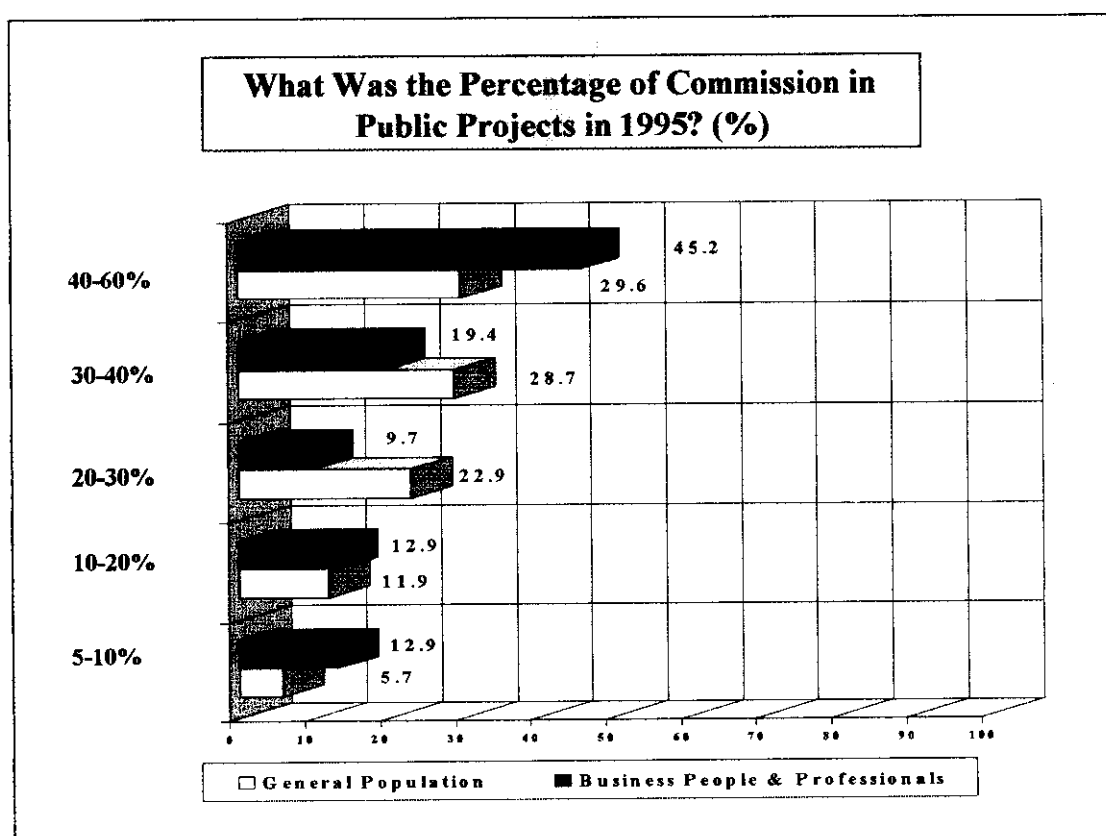
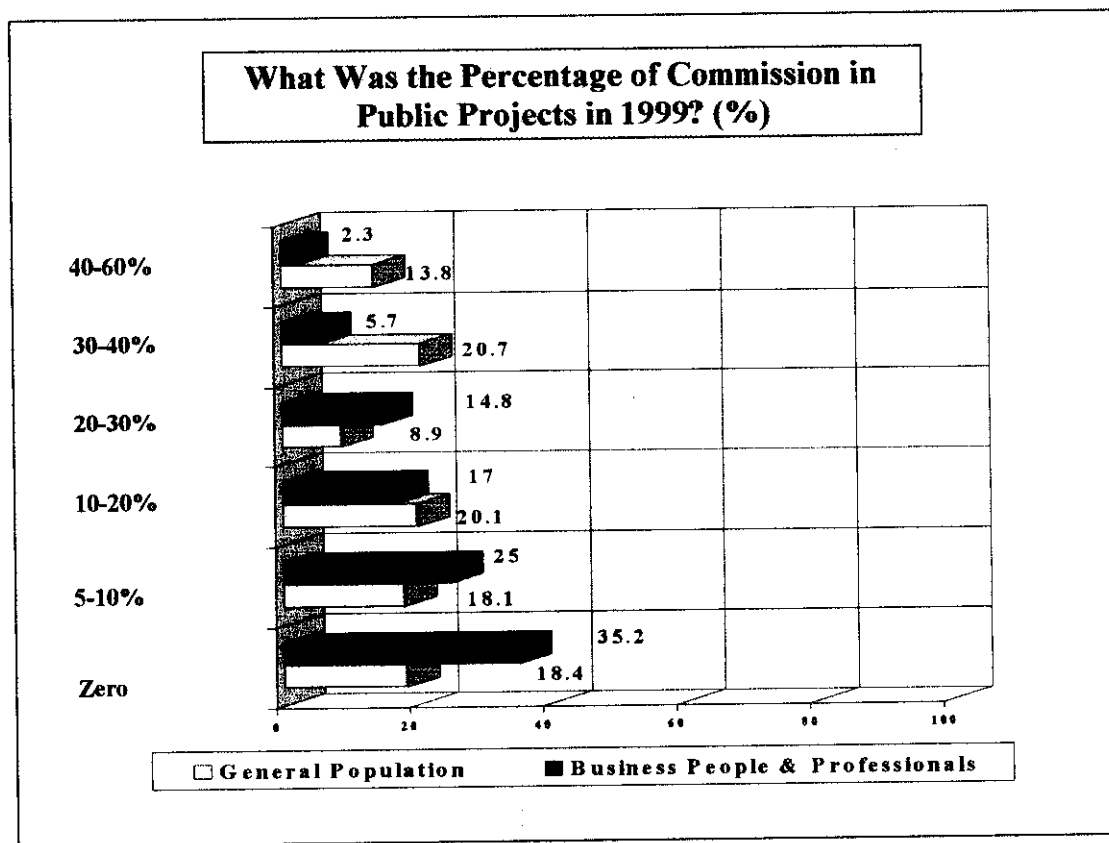


Figure 71



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